The Outlook

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THE MONROE DISASTER

There has been another dreadful disaster at sea. Over forty lives have been lost. The Old Dominion liner Monroe, bound from Norfolk, Virginia, to New York, had forty-six first-class passengers, eight steerage passengers, and eighty officers and crew. She was sunk in collision with the freight steamer Nantucket, of the Merchants and Miners Transportation Line, proceeding from Boston to Baltimore. Of those who lost their lives, half were passengers and half belonged to the crew. Eighty-five persons were rescued by the Nantucket.

The two steamers collided in the night in a dense fog, so thick that the lookouts could not see half a ship's length ahead. The passengers were asleep. There was no time to dress. Many did not even have a chance to put on life-belts, or failed to do so because of their terror. Some passengers were killed outright when the Nantucket's steel bow ripped half-way through the Monroe about amidships. The lighter vessel had apparently torn the other almost in two. The superstructure of the Monroe was broken into splinters and the wreckage was flung about her decks, smashing lifeboats and rafts. The Monroe is said to have had a full equipment of boats and rafts, but there was no time even to clear away the Nantucket's boats before the Monroe filled and foundered.

Both vessels were equipped with wireless telegraphy, but it is reported that the wireless was working badly; at all events, the newspapers say that no wireless calls for help were sent out by the Monroe after the collision, and add that it was some time before the Nantucket reported the affair. When the calls were sent out and reached up and down the coast, every agency of rescue within striking distance was immediately set in motion. But little could be done.

A COMPARISON WITH OTHER DISASTERS

According to all reports, the officers and men of the Monroe behaved with gallantry and bravery and did their utmost to save the passengers, especially the women and children. When it was seen that no use could be made of the Monroe's boats and rafts, however, the officers warned all the passengers to swim as fast as possible away from the vessel, so that they might not be drawn down where she was to make her final lurch beneath the surface. As some passengers held back, friends and sailors flung them overboard to give them their last remaining chance of life, and then followed them.

On the Nantucket the officers and crew, the accounts say, worked with almost superhuman energy to get her boats over and to pick up the people from the Monroe struggling in the icy water. To this end the crew of the Nantucket cheerfully and immediately risked their lives, although they knew perfectly well that their own boats might be drawn down into the whirlpool which was to mark the Monroe's speedy disappearance.

In the number of lives lost the Monroe disaster is not so startling as were those great sea disasters of 1912 and 1913—the cases of the Russ in the Black Sea, and especially of the Titanic in the North Atlantic and of the Kickemaru off the Japanese coast; of the Calvados in the Sea of Marmora or of the well-remembered Volturno in mid-Atlantic. In loss of life the Monroe disaster more nearly resembles the very recent loss of the Oklahoma off the New Jersey coast, although in the case of the Monroe the loss of life is fifty per cent greater than in that of the Oklahoma. But in suddenness, and in the consequent paralyzing of the means of safety, the Monroe disaster is a specially impressive warning as to the need of new measures for safety at sea.

SAFETY OF LIFE AT SEA

The Monroe disaster thus calls special attention to the signing of an agreement at London by the representatives of the maritime nations to make life at sea safer.

The agreement provides first for enough lifeboats or rafts to take care of every soul

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on board. Our delegates failed in their efforts to have the rafts outlawed, but they did succeed in establishing a decree by the Conference that only a small part of the life-saving service should consist of rafts.

The American delegates failed in another respect, namely, in their request for a specified number of men required to man each boat. We wanted a larger quota than the Europeans were, in general, willing to grant.

On the other hand, our delegates did score some handsome triumphs. One was the right decreed by the Conference to the American Government to supervise the operations of wireless telegraphy on all commercial ships, regardless of nationality, whether coming into or departing from our waters. This gives us power to say how most deep-sea vessels shall be equipped with wireless apparatus and operators. The power is all the greater owing to the recent marked increase in the number of ships and in their speed. In general, if vessels go more than one hundred and fifty miles from the nearest land, and have fifty persons or more on board, they must be equipped with wireless telegraphy. All wireless apparatus must have a range of at least a hundred miles.

In the next place, the American delegates won in regard to the matter of Arctic patrol. To continue the work done by the two vessels employed by our Government in 1912 and 1913 in locating ice and in determining its limit to the south, east, and west, and in informing vessels by wireless of its position, the Conference establishes an international service, which is also to have charge of the destruction of derelicts. This service is to be maintained by the nations chiefly interested, and the whole is to be under the control of the American Government.

Thus our sea prestige is greatly increased by these new privileges and responsibilities.

Another important provision is that of the continuous watch. It must be kept, as reported, not only on all fast passenger steamers, as at present, but also on vessels of over thirteen knots speed which carry two hundred passengers or more, and make voyages of more than five hundred miles between two ports; it must also be kept on other passenger vessels when they are more than five hundred miles from land; finally, it must be kept on all trade vessels whose voyages take them more than a thousand miles from land.

There are other notable provisions among the seventy-odd adopted by the Conference, and the whole certainly constitutes an encouraging achievement.

GOETHALS: GOVERNOR

On January 27 President Wilson signed an executive order erecting the permanent government of the Panama Canal Zone as provided by the Adamson Act, passed during the Administration of President Taft. Secretary Garrison at once cabled Colonel Goethals, notifying him of this fact and telling him of the President's intention to appoint him Governor of the Zone.

This act of President Wilson's will stop all talk of a commission government on the Isthmus, a proposal first made by Mr. Metcalfe, Civil Governor of the Zone, which The Outlook has opposed from the beginning. This will prevent the fulfillment, for the present at least, of that hope which New York City has had that Colonel Goethals could be secured to fill the difficult position of Police Commissioner in that city. Mayor Mitchel has, however, not abandoned hope of ultimately securing Colonel Goethals for this office, and is going ahead with his police bills giving to future Commissioners adequate control over the forces under their command and tenure of office for either a long period of time or for good behavior. The efforts that have been made to secure Colonel Goethals for New York City have therefore borne good fruit, even though there is no immediate prospect that their original intent will be realized.

The underlying principles animating these bills advocated by Mayor Mitchel are discussed editorially elsewhere in this issue.

President Wilson, in appointing Colonel Goethals as Governor of the Canal Zone, has likewise made of the remaining members of the present Panama Canal Commission a special commission to arrange for the celebration at the opening of the Canal. This was done largely as a matter of sentiment, because it was the President's wish that the men who had labored so long to bring the Canal to success should have the satisfaction of taking part in its completion.

TRANSPORTATION IN ALASKA

Last week the bill providing for a Government railway in Alaska passed the Senate by the emphatic vote of 46 to 16.

The measure authorizes the President to

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raise a sum not exceeding forty million dollars by the sale of bonds to purchase or construct a thousand miles of railway.

The important thing about the measure is that, like the Panama Canal Bill, it leaves plenary power in the President's hands. This action is the more striking as it was unexpected from a supposedly conservative body like the Senate. Singularly enough, however, the House has really been more opposed to this legislation than has the Senate. Indeed, if it were not for President Wilson's distinct approval of the legislation it would, it is said, probably fail in the House. But as Mr. Wilson's influence there is at high tide, the measure's ultimate passage is predicted.

The bill places upon the President the responsibility for the selection of the route from tide-water to the interior of Alaska, and the construction, equipment, and operation or leasing of such lines as he may build or buy to constitute this route. Moreover, the bill provides for a redemption fund into which shall be paid a large part of all moneys derived from the sale of public lands in Alaska or from the mineral contents of those lands. Finally, we are glad to say, by the terms of the measure, any machinery utilized in the construction of the Panama Canal is made available for the construction work.

It is interesting to note that when the news of the passage of this bill in the Senate was received in Seattle fireworks were set off and a band and wagons bearing banners paraded through the business streets. Alaska also has arranged for a celebration on a hitherto unprecedented scale.

HAITI

There is revolution in Haiti. Like most Central American republics, Haiti has suffered from frequent attacks of this malady. The present revolution seems to resemble all past disturbances there in being a violent displacement of one military dictatorship by another.

President Michel Oreste has been recognized by us as President of Haiti, and thus has a standing. He has tried to check the present trouble. But his efforts have been without avail, and he now finds himself on a German war-ship in the harbor of Port-au-Prince, his capital. And Haiti finds herself without a government.

Fortunately for us, and fortunately for Haiti, there are in the harbor of Port-au-Prince the Montana and South Carolina of our navy, and the Vineta of the German navy. American and German marines have landed and guarded the foreign legations at the capital and patrolled the town. So far, so good. But are our marines merely to restrain violence until a dictator is installed and the vicious cycle resumed?

The revolution is important, not only because it has overthrown the Haitian Government, but because of its significance to our own Government. It is the first new revolution to occur since President Wilson proclaimed what our policy was to be concerning uprisings in Latin America. Mr. Wilson declared that all new Latin-American governments should be constitutional. His Administration is confronted by a revolutionary force in Haiti, about to become a government, which, unless duly elected, we could, by the terms of the President's declaration, hardly recognize. The installation of such a government would seem to tie our Administration's hands from further dealing with the situation; indeed, we might show to the world in general—and to the Latin world in particular—that a dictum from our President was not necessarily efficacious.

The newspapers report that President Oreste consented to any measures which our Government might see fit to take, provided that his régime were upheld. Unfortunately the opportunity was lost, if we may believe the New York "Tribune" and "Sun," which report that the news of conditions in Haiti arrived in Washington during the absence of our Secretary of State, that after his return two days elapsed before he learned of the events, and that even then he was inclined to await further developments before taking any positive measures looking to the discouragement of the revolution!

SANTO DOMINGO

The issue in Haiti is merely one of the control of offices and the treasury. To get hold of the offices and of the customs receipts is the chief object of nearly every Central American revolution. The Oreste Government, face to face with the probable loss of both the offices and the treasury, decided to save at least half if it could, and so, as reported, offered to our Government the privilege of temporarily taking over the control of the Haitian custom-houses. President Oreste not unnaturally assumed, we suppose, that, if the prospect of getting hold of the customs receipts were removed, the revolution would disappear. Thus our Gov-

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ernment was confronted by the question whether it should acquiesce in Haiti's descent towards political, social, and economic barbarism, with its increasing international menace, or whether it should extend aid.

The opportunity should still be favorable for securing the consent of our own Government and of whatever government exists in Haiti to a customs administration modeled after our agreement with Santo Domingo. This has special reason, for, contrary to the supposition of many persons, the Haitians are far less advanced in civilization and in capacity for self-government than are the Dominicans.

We have done well in Santo Domingo, which occupies half the island of Haiti, and we should also do well in the other half of the island, in the interest of its inhabitants, of ourselves, and of all foreigners who have any claim there. Not only have we reestablished Dominican credit, as receiver of customs, but last year we were able to check a Dominican revolution by informing the revolutionists that, even if they did overthrow the Government, they would not get the customs receipts. After thus stopping the fighting, our Legation acted as a medium for bringing together the Government and revolutionary leaders. They worked out a mutually satisfactory compromise. A fairly civilized election was held, with a corps of so-called "observers" from our Department of State and from the Porto Rican Government as witnesses.

The blot on the scutcheon has been the recognition of revolutionary indebtedness as belonging to the Government. The validation of any indebtedness after the agreement was made between our Government and the Dominican violates the spirit and intent of that agreement. It is responsible for present and prospective difficulties there. This, however, will not, we hope, be a permanent cloud over our superb achievement in redeeming a backward Central American republic at least from economic bondage. But any new agreement should be very explicit on this question. We should afford no opportunity to the next fellow who would start a revolution to say: "The Government will recognize our debts. Let's go ahead."

THE MEXICAN REVOLUTION

Last week saw the Huerta Government at Mexico City apparently as well intrenched as ever, despite reports to the contrary. But last week also saw the revolutionists in the north victors in three battles and captors of many men and much ammunition. In addition, the revolutionists boast that they have now received about five million Mexican dollars ($2,500,000), with which they will conduct their revolution. This cash is supposed to represent some of the wealth obtained from forced loans on banks, merchants, mines, on such great landed proprietors as Señor Terrazas and Señor Creel, and from taxation and import duties. The revolutionists further boast that, if money were realized on all the property now in their possession, they could conduct a government in northern Mexico for several years. This statement seems more reasonable because of the reported arrangement for the reopening of certain mines and smelters by which the revolutionists procure ten per cent of the profits.

Under all these circumstances, not so much surprise was evident as would have been evident six months ago at President Wilson's reported inclination to raise the embargo on the exportation of arms to the revolutionists. The events in northern Mexico have certainly long since changed what was once considered a rebellion into a revolution. A previous rebellion was the cause of the embargo. President Taft proclaimed it on the demand of Congress as embodied in a resolution passed in harmony with the then existing events. At that time President Madero, of Mexico, was menaced by a rebellion led by General Orozco. Many Americans in northern Mexico were fleeing from their homes and abandoning their occupations because their lives were in danger of being destroyed by arms and munitions transported across the border from the United States.

As our army officers maintained that this exportation should not be permitted because the arms might very likely be used against Americans, especially in the event of our intervention, Congress passed the resolution in March, 1912, followed by the Presidential proclamation. It has been somewhat difficult to maintain the consequent patrol. Practically the whole border population on our side is in sympathy with the cause of the Constitutionalists—the revolutionists—and, as a consequence, our hardware stores along the border are constantly receiving large consignments of arms, obviously in excess of any legitimate demand.

With regard to the Mexican wounded on our side of the border, the Red Cross work at Presidio has now been completed. Any serious cases that remain will be taken to the army

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hospital at Fort Bliss, near El Paso; in some of these cases operations will be necessary.

FALSE REPORTS

The lack of the sense of responsibility which a good many American journalists show, and which may some day lead to a great international disaster, was illustrated again last week when a number of leading papers published long reports from Washington reciting with considerable detail the alleged sale of large supplies of arms by the Japanese Government to the Huerta forces in Mexico. These statements were made atmospheric by recalling the recent reception of Huerta's representative in Tokyo, the presence of a Japanese warship in Mexican waters, and the welcome to some Japanese naval men in the city of Mexico. All these things, perfectly innocent and part of the normal intercourse of two countries, were skillfully brought together and dramatically related so as to create the impression that the sale of arms by the Japanese Government was the culmination of a series of intrigues which had for their object the aiding of Mexico in its resistance to President Wilson's policy.

On succeeding days these reports were followed by various explanations skillfully designed to arouse American feeling against Japan. It was said, for instance, that the Japanese Government did not really mean to give offense to America, but that it was putting itself *en rapport* with Mexico and aiding Huerta in order to defend itself from the attacks made on its foreign policy at home! It was announced that President Wilson and the Senate Committee on Foreign Relations were very much alarmed, and it was intimated that a crisis was at hand.

PROMPT DENIALS

Later it appeared that nothing whatever had occurred which had awakened the alarm of our Government, and that the theory of unfriendly action on the part of the Japanese Government was a vast soap-bubble, blown up, either to make a sensation or for some malicious purpose, by some highly imaginative newspaper correspondents. President Wilson has disposed of the whole matter by declaring that there is no crisis at hand, and warning the country against newspaper speculation on foreign questions, plainly declaring that the Government is embarrassed by unfounded reports. He pronounced absolutely false the story that the Japanese Government is supplying munitions of war to Huerta. This subject was investigated by the American Ambassador at Tokyo several months ago; two shipments of arms by a Japanese commercial house had been arranged, one of which has been made, and one is to be made in February; a transaction about which there was no concealment, with which the Japanese Government had nothing to do, and which is in no sense contrary either to the rules of nations or to national comity. The President declared that the United States had never asked any country to restrict the importation of arms into Mexico, because this Government has no such right under the law of nations, and reiterated his belief that all foreign governments are doing what they can to show a friendly spirit towards the United States in dealing with the whole Mexican situation.

Senator Bacon, Chairman of the Senate Committee on Foreign Relations, has issued a statement in which he declared that the purported interview and alleged information which appeared in the public press of January 27 and 28, "relative to alleged statements and utterances by the President or by any Senator who was present at the conference between the President and the Committee on Foreign Affairs on the evening of the 26th of January, were not made, given, or authorized by any Senator who was present," and that "these published interviews and alleged information were pure fabrications." This ought to satisfy the public. It ought also to put the American people on guard with reference to all statements affecting the relations between this county and Japan. Nothing could be more pernicious than such statements, nor could anything be more unjust to the Japanese people. The circulation of such baseless rumors is unworthy of reputable journalists.

JAPAN: AT HOME AND ABROAD

An important address was recently made by Baron Makino, the Japanese Minister of Foreign Affairs, in the Imperial Parliament, in which he discussed very fully the foreign policy of the Japanese Government. The text of his remarks is not at hand, but the newspapers report him as saying that the sending of a cruiser to Mexico was due to the necessity laid on the Japanese Government to take proper and adequate steps to protect the lives and property of three thou-

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sand subjects in that country, and he expressed the earnest hope of the Imperial Government that peace and tranquillity may be restored in Mexico at the earliest possible date and its foreign inhabitants be relieved of anxiety.

With regard to Russia, the Japanese Government, the Minister declared, was overlooking no opportunity of reaching a full understanding concerning the interests of the two Governments in South Manchuria and Mongolia; he emphasized the importance of the Anglo-Japanese alliance, and said that the restoration of peace in China was in no small measure due to that alliance, adding that "it is expected in the future to give even greater proof of its efficiency in the maintenance of peace."

THE REVIVAL OF CONFUCIANISM IN CHINA

Last week at Peking, the Chinese capital, a bill prescribing the worship of Heaven and of Confucius by the President of the Chinese Republic was passed by the Administrative Council. This body took the place of the Chinese Parliament, recently dissolved.

The measure was, significantly, submitted to the Council by President Yuan Shi-kai himself. We say "significantly," for the President's recent policy and methods of government indicate that he recognizes the force of reaction in China and expects to direct it to serve his own ends.

According to the despatches, the President's idea is to set an example to the Chinese nation, which he thinks needs the moral influence of religion. Hence he will, it is announced, worship at the Temple of Confucius and at the Temple of Heaven annually, in the same way as the Manchu Emperors did, but without wearing the diadem. The diadem was proposed, the despatches add, but was not adopted, owing to criticism that it was another indication of Yuan Shi-kai's monarchical designs.

For some time the question of the introduction of a state religion has created controversy in China. The Constitution adopted by the Chinese Parliament made no provision for any state religion. For some months, however, a Confucian revival movement has been in evidence. Consequently a league was formed by representatives in China not only of Christianity, both Roman Catholic and Protestant, but of Mohammedanism, Taoism, and Buddhism, to oppose the adoption of a state religion.

Even if the act of the Administrative Council means that China has now a state religion, freedom of worship will still obtain if constitutional and treaty rights be observed. For the Chinese provisional Constitution, which Yuan Shi-kai has sworn to uphold, provides that "citizens shall have freedom of religion;" religious freedom is also guaranteed by at least a dozen treaties with the Powers. In addition it has now been confirmed in the Administrative Council's bill.

BRAVE LITTLE HOLLAND

As will be noted by the map which recently appeared in the New York "Sun" and, slightly modified, is to be found on the opposite page, a large part of Holland is occupied by the Zuiderzee, or, as we often write it, the Zuyder Zee—the South Sea, doubtless so called in distinction from the North Sea, or German Ocean, always the most redoubtable foe which the Dutch have had to face. They are indeed a brave people, for they have reclaimed their country from this enemy.

But they have not reclaimed it all. Some still lies under the waters of the Zuiderzee. With the exception of the little lake Flevo, the Zuiderzee was once dry land or marsh. Early in the thirteenth century continual gales lashed the North Sea into furious waves which broke violently upon a part of the coastal dikes, eating into sandy bulwarks, crumbling them, and overflowing into the country. Towns and villages were swept away, and thousands of lives were lost. To show how the sea can act, the waves now sometimes mount quite to the top of the dikes. But by the early part of the fifteenth century the sea's convulsions had completed the destruction of the old and lower Zuiderzee dikes.

As the Dutch are instinctive hydraulic engineers, the project of Zuiderzee reclamation has long been talked about. Various plans have been proposed, but finally Heer Lely, a distinguished engineer, brought forth one which gained Government support, as was made clear by the Queen's speech at the recent opening of Parliament.

Heer Lely would build a dike twenty-odd miles across the mouth of the Zuiderzee, connecting the mainland on either side, the dike to be 18½ feet high and wide enough to provide space for a broad highway and a double-track railway. The building of the dike would take about nine years.

High-diked outlets to the sea would be provided for superfluous waters and for river

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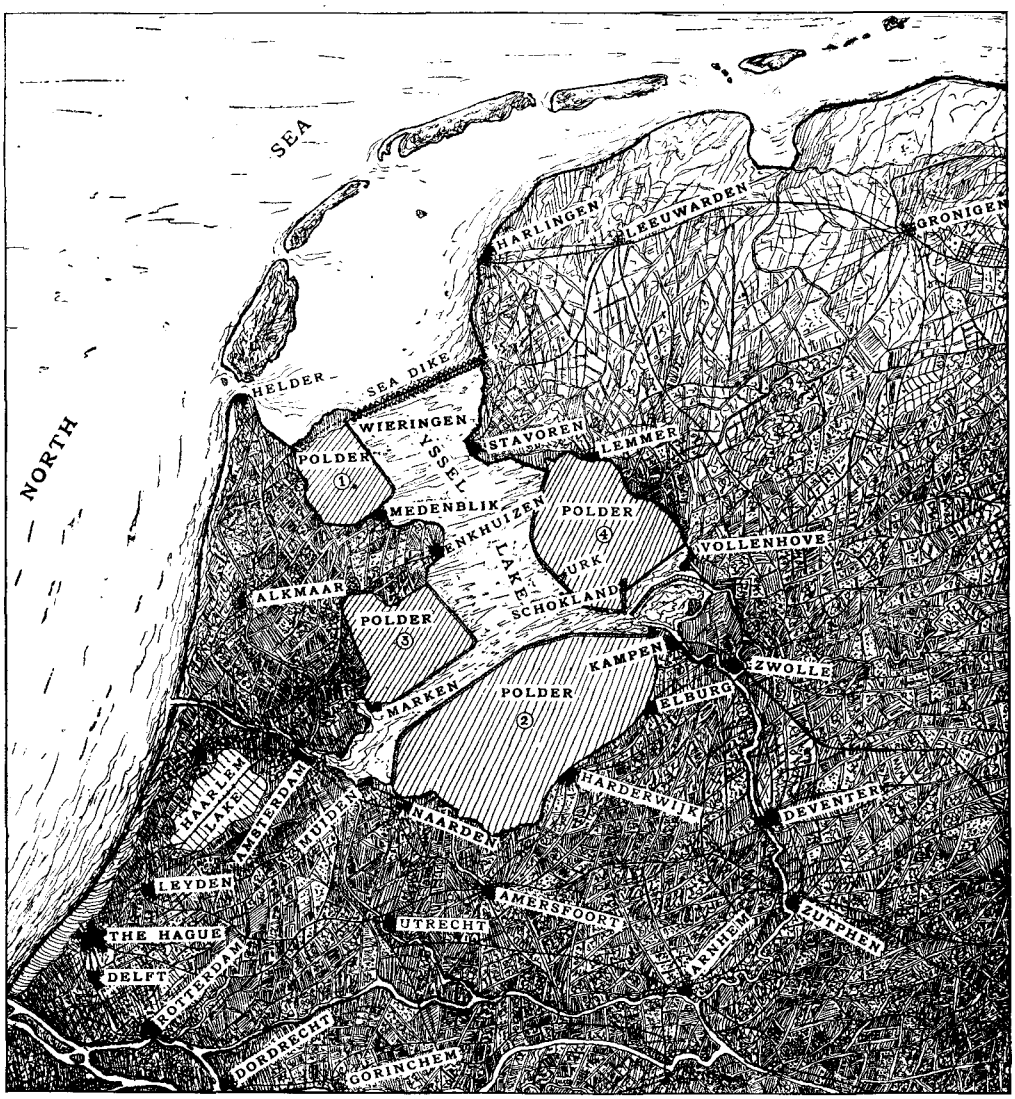

HOW THE ZUIDERZEE WILL LOOK

Only the towns in the neighborhood of the coast or the Zuiderzee are here indicated

communication. These outlets would control the river flow and at the same time would turn the flow into a better highway than at present for traffic to and from the Zuiderzee cities. Hence the proposed work, instead of hindering navigation, should improve it, for vessels will not risk the present peril of grounding upon the many Zuiderzee sand-banks.

ZUIDERZEE FARMS

If dike-building is the first part of the Zuiderzee reclamation, land drainage is the second. Billions of tons of water must be removed from the land to be reclaimed. As the first task is to drive back the ocean, so the second is to provide for a lake, as in the old Zuiderzee. The sea dike is to keep out the German Ocean, but a lake dike must keep out a body of ultimately fresh water. This lake dike, outlining four *polders*, or great sections of territory, is to be broad enough to bear a roadway and to hold the pumping-stations necessary for draining the inclosed area. As fast as part of a *polder* is bared to the sun supplemental dikes are also built. Nine-tenths of the land to be bared will be found to be very fertile, say the Dutch. On it there will be room enough for thousands of farms. As fast as the land

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is ready for farming it will be leased for that purpose, in that way revenue being secured long before the completion of the project.

In certain features the building of the Panama Canal has been an object-lesson to the Dutch engineers. The success at Panama is of course an earnest of what may be accomplished along certain lines in Holland.

The cost of Zuiderzee reclamation in money is estimated at not far from eighty million dollars, including the indemnification to the Zuiderzee fishermen for eventual loss of occupation. The cost in time will probably exceed thirty years.

When the work is all done, the Dutch will have again justified their reputation for courage and thrift. They will have settled some of their score against the hungry ocean. They will have built up a farming region more than half the size of Rhode Island. They will have provided remunerative employment to thousands. They will have secured homes to many other thousands. And as Holland is, next to Belgium, the most thickly settled country in Europe, this additional elbow-room should be welcome indeed.

THE THIRD HAGUE CONFERENCE

Important subjects discussed at the Hague Peace Conferences in 1899 and 1907 were left as unfinished business for further consideration. Among them are:

1. The exemption from capture of private property at sea.
2. Contraband.
3. Blockade.
4. The destruction of neutral prizes.
5. The codification of maritime combat laws.
6. Compulsory arbitration.
7. A court of arbitral justice, as distinguished from the present semi-diplomatic Court of Arbitration at The Hague.

Some of these subjects were, by specific vote, referred for settlement to the third Hague Conference.

By unanimous action the delegates at the second Hague Conference recommended to the Powers that a third Conference "be held within a period corresponding to that which has elapsed since the preceding Conference." This period of eight years would bring about the meeting of the Conference in 1915. Moreover, "in order that its deliberations may be undertaken with indispensable authority and rapidity," the delegates to the second Conference called attention to the necessity of having the programme of the third Conference prepared a sufficient time before its meeting. To this end, about two years before the probable date of such meeting, the Powers were to intrust to an International Preparatory Committee the task of determining all the subjects ripe for international regulation and to be submitted to the third Conference. This committee was to prepare a programme for the Conference about which the Governments were to agree early enough so that it might be earnestly studied in every country.

The year 1915 is close upon us. And yet this duty has not yet been performed, although our own Government and one or two others have independently appointed national committees to make recommendations of subjects to be considered at the third Conference.

It is therefore appropriate that Dr. White, Mr. Low, and Admiral Mahan, delegates to the first Conference, together with Mr. Choate, Mr. Porter, Dr. Hill, and other delegates to the second, and other citizens, should form a committee to urge the President and the Secretary of State to take the initiative in calling the third Hague Conference. Certainly the importance of holding that Conference next year ought to be recognized first of all by our own Government, which has been a commendable leader in the calling of international meetings.

CONSTANTIN MEUNIER

Does any one want to know what plastic power means? Let him go to the Avery Gallery in Columbia University, New York City. An exhibition of Meunier's sculptures may be seen there. A better place there might be for such a show—a place of wider spaces and better background, with no distraction of alcoves full of books and of young men consulting those books. Yet these are but slight limitations to the appeal of the statues and statuettes and bas-reliefs of the late Constantin Meunier, the Belgian sculptor.

They appeal, in the first place, because they describe Belgium. Some of us know Belgium as Stevenson knew it in his "Inland Voyage." Others know it as Maeterlinck knows it—on its distinctly æsthetic side. But few foreigners really know it as it stands in its unique place in the world—a country with the greatest density of population to be found anywhere, a country with mines seemingly innumerable, a country with factories crowding one upon another from town to

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town until the whole land seems but one seething, writhing hive of industry.

Man has made all this—man, the modern industrialist. What does he look like—the miner, the puddler, the foundryman, the hammerman, the quarryman, the dock-hand, the stone-cutter, the brickmaker, the glass-maker?

Meunier shows us. The examples of his art which were reproduced in a recent number of The Outlook were likewise examples of his interpretation of industry. His work has social as well as artistic significance.

On the æsthetic side it seems limited because Meunier did not range over the whole field of human life as did Michelangelo and as does Rodin. Meunier's field is that of labor. Is labor only one of the circles of life? Very well. But Meunier comprehends all in that circle. To him labor means not only grinding toil; it is synonymous with humanity. Labor is no mere exhibition of the actual work of the miner and the glass-maker; labor comprehends also the sad, gaunt woman at home—the miner's wife with her baby at her breast, the old crouched mother in the corner—the old horse in the yard, yes, and the laborer's conception of the Christ.

Rarely does Meunier break over this circle of motives; but when he does it is always within the realm of moving human experience, as, for instance, in his very original group of the "Prodigal Son."

Whether judged from artistic or from social significance, the Meunier work stands in the front rank of achievement in the sculpture of our time or of any time.

AN AUSTRIAN AND GERMAN EXHIBITION OF DECORATIVE AND APPLIED ART

The value of art is in its practical application and helpfulness, in a large sense, to life. Real art in any form comes from the people, and must be returned to them if it is to live and grow. There is an increasing tendency to regard life as an æsthetic phenomenon in all particulars; "an aye—a nay—a straight line and—a goal;" to take a space, a place, a dress—anything—and make its ornament a part of it.

The Individualistic Movement in Textiles, Posters, Potteries, Embroideries, shown during January at the Prang Gallery, New York, embodies this idea. It started in England with William Morris, and, by way of Belfast and Munich, reached its strongest development in Vienna about ten years ago, rapidly spreading over Germany. In Europe artists and artisans are in closer relation than here; consequently fine art and applied art are more closely allied. They have had more time in the older country to acquire that serenity necessary to penetrate the inner life of a people and interpret it to themselves and to the world. A new phase of art may sometimes be more readily shown in textiles and posters than in paintings; and this exhibit, representing the latest development of art in its application to useful objects, proves this in a positive way.

Many teachers have visited the exhibit, taking away valuable suggestions for class work. For instance, linoleum as an art fabric is practically unknown in this country. In this direction the exhibit suggests possibilities of bringing floors into harmony with walls and ceilings, not always attained with rugs, carpets, and wood; furthermore, the fabric is economical and hygienic. There is no reason why art in a home should be confined to one room, any more than that one day of the week should be set apart for being good. Every object and phase of life, through adaptability to the use for which it is intended, may be made harmonious, and so artistic. This movement of industrial art, rightly applied to daily routine, may do something towards making the living of life itself the greatest of all arts.

ART IN THE HOME

Working along these lines, Mr. John Cotton Dana, director of the Newark Public Library, organized a few years ago a "democratic" museum—what might be termed a circulating museum—which has just been put in operation; the idea being that it is not what a museum has in the way of a collection that gives value, but rather the use to which the collections are put and their availability as educational factors to the general public. The museum will have exhibits and demonstrations—free to the public—showing the comparative additions to the value of an article by making it merely useful and by making it beautiful. Oil paintings in a gallery have no such close relationship to the development of good taste and refinement among people as the genius and skill that have gone into the adornment and perfecting of household objects; and doubtless in time oil paintings will be placed in proper relation with other objects in museums. In the Newark mu-

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seum, for instance, there are now a number of vases, purchased, not because of their value or fame, but simply with a view of making a display to catch the public eye and increase a love of the beautiful. In Mr. Dana's opinion, the day is coming when it will be as much a matter of course to go to a museum and take away a reproduction of a famous painting or a beautiful work of sculpture to place in the home for a time as it is now to go to a library and take home the latest novel.

AN ALIEN TONGUE IN MUSIC

No longer can a chamber music concert be regarded as an inviolable refuge for those who wish to escape from sensationalism. The intruder into this sacred Tibet of music is Arnold Schoenberg. He has created a sensation with a string quartette, and created it in New York City, where the standards of sensationalism are high. A concert by the Flonzaley String Quartette in Æolian Hall last week gathered an audience who were obviously expecting to be horribly distressed and fearing to be disappointed. Most of them were not disappointed. The hearers listened to the discords of Schoenberg with admirable self-control, and heartily applauded the Flonzaley Quartette for its remarkable achievement.

Schoenberg has written a quartette that lasts fifty-two minutes (by the watch) without interruption. During those fifty-two minutes scarcely once will the ordinary hearer recognize what seems even an approach to any familiar chord. The four instruments seem to be performing their several parts with serene disregard of one another. After a few minutes, however, one notes that this disregard is not as complete as it seems at first to be; and that the different parts are all engaged at the same task in developing certain common themes. Schoenberg, indeed, has managed these four parts with extraordinary skill, by seeing to it that scarcely once do they divert the mind of the hearer from their several tasks by creating a grateful harmony or even a grateful kind of dissonance. In this respect the composer has performed a feat comparable to that of a singer who deliberately sings a whole piece a half-tone out of tune. And meanwhile the structure grows before one's eyes. This is the sort of music one does not so much hear as see. What with watching the movement and noting in one's self the torturing effect of the skillfully maintained discord one has really a very interesting experience.

Another idea of the effect of this quartette on the ordinary hearer may be conveyed by likening it to a lecture delivered in a foreign language. Now and then you may recognize a word, and you can see how the speaker is developing his subject from point to point; but you are not moved. In this case one feels that the lecturer is highly trained and very oratorical, but not really eloquent.

Schoenberg has done one thing to affront the lover of chamber music: he has resorted to a number of devices to create orchestral effects. This raises the suspicion that the substance of what he has to say is not independently valuable, and so he must give his work some factitious interest. He acts like one who, lacking personal beauty, attempts to attract attention by a fantastic or shocking garb.

Perhaps sometime we may become used to the sort of dissonance Schoenberg uses in this quartette. It is mild, so the report goes, compared to what he has more recently perpetrated.

WHEN MURDER IS NOT MURDER

A mother of seven children who kills an inoffensive golfer by pushing him out of a train window may not sound like a good subject for laughter. There were, however, mitigating circumstances which everybody must take into account. The golfer declined to close the window at the mother's request. One of the mother's seven children had a cold. This particular child was always "pulled down" for a long time whenever she had a cold of the sniffly kind. The particular cold which she had on this occasion was decidedly sniffly; and, most mitigating circumstance of all, the mother was Maude Adams and the whole incident happened in a new play by J. M. Barrie. Therefore it was quite natural to find that the learned Court before whom the mother was tried failed to observe all the formalities required by his austere calling, that the attorney retained for the prosecution (known throughout his profession as Honest John) should, when called to the witness stand, testify that he had been playing golf with the victim at the time the murder was alleged to have taken place, that the mother's attorney should magnanimously confess that the

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crime was his alone (despite the emphatic protests of the defendant), or that the jury, most of them married men with children, should bring in a more than unanimous verdict of not guilty. More than unanimous we may say quite correctly, for "Honest John" slipped into the jury unobserved, or rather unmolested by the court attendants, and, quite without protest, took part in the deliberation of that august body.

J. M. Barrie, in writing "The Legend of Leonora," was apparently concerned not only with the sublime whimsicality of his theme, but likewise with defending all that he regards as worth while in the old-fashioned traditions of womanhood. Not that Leonora is not modern, for she happens, among many other things, to be a devoted champion of votes for women, but she may be regarded as an antidote offered by the author of "Margaret Ogilvy" for the window-smashing militants that beset his native land.

Leonora is illogical enough to satisfy the prejudices of the most determined misogynist, and direct enough in her actions and thoughts to make all logic superfluous. She is modern and primitive in alternating breaths, an angel half civilized but wholly delightful. No one but Barrie could have drawn her, but there will be very few indeed who decline to love her. Which, after all, is the essential thing.

SHELBY MOORE CULLOM

Last week there died, at the age of eighty-four, a man who for years held the distinction of being the oldest United States Senator in point of continuous service.

When Shelby Moore Cullom was born, Chicago was a small village tributary to Fort Dearborn. The child went to school in an Illinois log school-house, from the windows of which he could see the wild deer feeding. After some years he taught school himself. Though his pay was eighteen dollars a month, he saved enough money to give him two years at Mount Morris Seminary.

Mr. Cullom began his public career as district attorney at Springfield, Illinois. That career was to extend unbroken over a half-century.

Mr. Cullom made his first race for Congress on the Lincoln ticket. He was successful, and thus was in Congress when Lincoln was President. Mr. Cullom was to make some notable friends in the House—Blaine, Conkling, Allison, Windom, Frye. Mr. Cullom's most important service in the House was probably as Chairman of the Committee on Territories, and, in the Senate, as contributing his share in the authorship of the Inter-State Commerce Law and as Chairman of the Committee on Foreign Relations.

Mr. Cullom's physical resemblance to Lincoln was always pointed out to strangers by the Washington guides, and his gentle manner—a Senator of the type of another day and a gentleman of the old school—brought him respect and popularity among men of all sorts.

In 1912 Mr. Cullom was defeated for re-election by Lawrence Y. Sherman.

One of the first political Nestors to greet President Wilson was Mr. Cullom. Mr. Wilson was the eleventh President whom Mr. Cullom had greeted.

AN IMMIGRANT'S BAEDEKER

An intelligent and far-sighted movement for Americanizing the immigrant has recently been initiated in New York. An immigrant's Guide to the United States has been prepared and published in the three most important immigrant languages—Italian, Polish, and Yiddish—in each case carefully adapted to the needs of the particular people to whom it appeals. The author, John Foster Carr, has been more than once special correspondent to The Outlook; to his university training and journalistic experience he adds an intimate knowledge of the attitude and needs of the immigrant class drawn from years of close association with them both in Europe and in this country.

Senator Dillingham, Chairman of the Immigration Commission, says of the Guide, "Its distribution is a service of the highest importance, having in it the promise of untold good both to all prospective citizens and to society." Mary Antin writes concerning it, "The book anticipates every question the bewildered immigrant is sure to ask and calls his attention to a multitude of facts that are of the first importance to him at the beginning of his career in the new country. It will prevent millions of blunders, hundreds of failures and tragedies." And Dr. Mendes, President of the Union of Orthodox Jewish Congregations of the United States and Canada, remarks, "The publication of a fifteen-cent book has done more to solve the question how to Americanize the immigrant than one hundred societies."

Many books have already been provided for

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the immigrant; the unique value of this Guide lies largely in the fact that each variant has been prepared with the co-operation of men who have themselves been immigrants, of men who belong to the nationality addressed, of men who know, therefore, not only the necessities and dangers common to all newcomers, but also the special warnings and advice needed by each nationality, its special prejudices, the special points of appeal. The different sections have, moreover, been revised by some of the ablest experts of the country; the one on naturalization, for example, was submitted to the head of the Naturalization Bureau in Washington. Finally, in spite of the labor involved in its preparation, the book is sold at a price that every immigrant can afford to give.

This small price has serious disadvantages. It is so slight an advance over the cost of production that booksellers find no profit in handling the Guide; it must therefore be distributed by private effort. The work is unendowed and unsupported by any society; it has in consequence been continually hampered financially. Nevertheless, in the short time since the first version was put forth more than twenty thousand copies have been sold.

Every religious interest has given the work cordial support—Catholics, Jews, and Protestants are all using the book and testifying to its value. It is being distributed to individual immigrants; it is being read in small groups. One New Yorker says: "I always carry a copy in my pocket, and when I find three or four Jews together I get them to sit down and read a section." It is used in schools and libraries in various parts of the country. The consulting librarian lately appointed in Massachusetts to advise regarding library work with the foreign-born throughout the State sends to every applicant for advice the recommendation to use the Guide; the Free Library Commission of Massachusetts has distributed it to all the libraries with which it is connected. As an English translation has been prepared, the book is adapted both to those who can speak only their own language and to those who wish an English reader.

An unexpected use of this translation is its employment to reveal to the thoughtful American the situation that faces the newcomer, his ignorance and the perils to which it exposes him. Every one who is concerned over the future of the immigrants already in this country—and who is not?—should learn to know this little book. Further information about it may be obtained from John Foster Carr, 241 Fifth Avenue, New York.

A SCHOOL IN A PRISON

A great deal of good will in the world counts for naught because it is not properly expressed. Generosity without understanding is as pathetic as it is worthless in the alleviation of suffering, and misdirected charity is worse than nothing. Perhaps that is why so many good Samaritans are poor men. Certainly the first question to be asked in determining the value of a charity should be, "Is it practical?"

When this query is applied to a school for boys who are detained in the prison of New York City, too aptly called the Tombs, an affirmative answer is inevitable. There is no time for frivolity or maudlin sentiment during the single hour four times a week in which this school is open to the boys of from sixteen to twenty-one who have been committed to the Tombs from the magistrates' courts of New York pending trial before the higher tribunals of the city. A large percentage of the boys are foreigners, and others are country boys who have come to New York in answer to the irresistible lure of the city for their kind, and both these classes are woefully ignorant of the machinery by which offended society handles their cases. Accordingly they are given talks on such subjects as "Legal Procedure from Arrest to Sentence" and "The Theory of Suspended Sentence and Probation." Boys are frequently found who do not understand the meaning even of such simple terms as defendant and complainant. Small wonder that they are easily led to believe that society is unfair to them and that they are kept in jail as the victims of a conspiracy!

Personal Hygiene, First Aid to the Injured, and Civics are some of the other courses in the curriculum of this prison school. The individuals whose large-heartedness makes possible the continuance of this school do not stop with lectures, however. When a boy's case comes up for trial, it is important that he should present a neat appearance in court, and Mr. G. C. Marvin, Director of the Tombs School, is empowered

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to " stake " his pupils to hair-cuts, shaves, and even clothes, in these crises, and frequently does so. The supervision and influence of the School continue after the boy regains his liberty, and, in fact, a very valuable part of the whole work consists in finding jobs for prisoners after their release and in returning boys to their homes or getting homes for them when they haven't any.

It may be worth recording that it is the opinion of the Director of the School that physical infirmity is the cause of many infringements of the law for which boys reach the Tombs. When a boy's teeth are in such bad condition that he cannot chew his food, his nerves may easily become so " edged " that only a slight provocation is sufficient to lead him to make an assault. Indeed, an authority who has given his life to the study of prisons recently went so far as to suggest that the probation of first-time juvenile offenders known to be suffering from a physical impairment might be made contingent upon the correction of that condition.

In the fifteen years of its existence the Tombs School has reached fully 25,000 boys and has helped them to a fresh start in life, which is all that the average young criminal needs. In the words of the Director of the School, " If you let a boy see that you can help him, he'll fall over himself getting the chance to make good."

AN INSTITUTE FOR THE EXTENSION OF LIFE

Neither in the field of ethics nor science are unapplied theories of any practical value. If what we already know could be put into wide and instant practice, we could doubtless forego the advantages of several decades of future speculation and research, and still find the world's balance upon the credit side. Of nothing is this statement truer than of medical knowledge. Countless deaths are recorded daily from diseases and accidents which we already have the science to prevent.

It was with this truth in mind that a group of men prominent in widely different departments of human endeavor have banded together to form an " Institute for the Extension of Life." Upon the Board of Trustees of this organization are such men as ex-President Taft, Chairman; Professor Irving Fisher, of Yale; F. A. Vanderlip, President of the First National City Bank of New York; and Robert W. de Forest, President of the Metropolitan Museum of Art. The Life Extension Institute has organized a Hygienic Reference Board of nearly a hundred experts on subjects pertaining to health. Colonel William Crawford Gorgas, whose fight againt yellow fever in Havana and in the Canal Zone is a matter of National knowledge, will be on this Board as Chief Consultant in Sanitation.

In a statement recently made public Professor Fisher said in part: " The purpose of this Board is to help determine the truth on hygienic questions referred to it. The method to be used to prolong life is very simple and the same as applied to ordinary machinery—inspection and repair. After the human machine has been inspected the individual will be advised to see his family physician, who will be furnished a full statement of the results of the examination. The Institute plans to make arrangements not only with life insurance companies, but with schools, industrial establishments, clubs, and individuals, as well as to co-operate with hygienic agencies of all kinds, including those connected with the tuberculosis movement, the social hygiene movement, the eugenics movement, the public health departments, Federal, State, and Municipal."

Mr. E. E. Rittenhouse, who resigned his position as Conservation Commissioner of the Equitable Life Assurance Company to become President of the Institute, says: " In the promotion of health and longevity there are two distinct fields. One is treatment. That is filled by the physician, and the Institute will in no wise encroach upon it. The other is prophylaxis. This is our field, and we intend to bring to our work the ripened fruits of scientific discovery and experience for the production and preservation of health and the prevention of disease. There is a broad principle of philanthropy involved in the dissemination of knowledge to lengthen life. It would be impossible to say now where our efforts will end. That they will lead us into every legitimate line where the Institute can do good in the prevention of disease is certain. As every sound philanthropy should be, the Institute will be placed on a self-supporting basis."

In the last sentence of the preceding quotation lies the key to perhaps the most interesting feature of this project. It is expected that life insurance companies, and (with the

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passage of a workingman's compensation act in each of the several States, to bring home the necessity for preventive hygiene) many large corporations will avail themselves of the resources of the Institute. Two-thirds of any profit above five per cent upon the capital invested in the Institute that arises from this source is to be applied to the extension of the public usefulness of the undertaking.

The Metropolitan Life has been the first insurance company to subscribe to the services of the Institute. It has contracted for a physical inspection of all its policy-holders.

THE RED CROSS MEMORIAL

The latest addition to the "Marble Row" in Seventeenth Street, Washington, is to be the Red Cross Memorial to the Women of the Civil War. It is to house the executive offices of the American Red Cross. At present many of the offices are in a building several blocks away from the headquarters, and it will be a great convenience for all to be under one roof.

Recently, Mr. Garrison, Secretary of War and chairman of the commission to select a site for the Memorial, announced that it would be located in the square between Seventeenth and Eighteenth and D and E Streets, N. W. Thus it will be flanked on the north by the Corcoran Art Gallery, and on the south by the home of the Daughters of the American Revolution, to the south of which stands the Pan-American building. All these structures are of marble, and, with the Red Cross Memorial, will form a row of entrances of which any thoroughfare might boast.

This particular location is one of vital value to the Red Cross. First, it offers room enough for expansion; hence the whole square has been bought to afford space for the erection of other buildings as the Red Cross work grows in caring for the sick, stricken, wounded, and needy. Second, the location is only a block away from the State, War, and Navy Departments. In cases of international relief work it is important that the Red Cross should be near the State Department, as that Department's representative on the Red Cross Central Committee is the Chairman of its International Relief Board, just as the War and Navy Department representatives (their respective surgeons-general) are the Chairman and the Vice-Chairman of the War Relief Board. In cases of international relief the Red Cross has also often found navy co-operation indispensable. Finally, in cases of National disaster or of war the Red Cross must of course be in constant touch with the War and Navy Departments.

The building and its site were to cost not less than $700,000. Congress appropriated $400,000 on condition that the rest should be privately given. The Red Cross has now privately received, we are glad to learn, $400,000, making the total $800,000.

No structure in "Marble Row" will, we believe, appeal to the Nation more than will this. The others are associated with such splendid things as art, patriotism, peace. But this will be devoted to humanity.

POLICE DISCIPLINE

Whether Colonel Goethals shall become the Police Commissioner of the city of New York or not, the city of New York owes him a debt of gratitude for his letter, to which we referred last week. He has in a brief paragraph pointed out the fatal defect in the police system of New York. The function of a police force is largely military, or, to put the statement in another form, the function of an army is largely that of a great police force. The object of each organization is the protection of persons and property and the preservation of order. Other and important functions are exercised, but these are essential. The same fundamental principle, therefore, should govern in the one organization as in the other.

To make either force effective, discipline should be prompt and decisive. So long as an appeal is possible from the authority of the police organization to the civil courts, so long discipline cannot be either prompt or decisive. It is not decisive because the decision of the superior police authority really decides nothing. All of the discipline is tentative. It is not prompt because after the decision is made an appeal from it may be taken, and one or two years may elapse before the result of that appeal can be known. The fact that whenever an incompetent or unworthy member of the police is dismissed an appeal may be taken and it may be one or two years before it can be known whether the dismissal will be sustained or not makes the dismissal, even when sustained, ineffective as a warning to the rest of the force. It is said that the

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civil courts have in a majority of instances affirmed the decision of the police authorities when they have dismissed a member from the force. This furnishes no justification for allowing such an appeal. The mere fact that an appeal can be taken and that occasionally it is sustained prevents prompt and decisive discipline. It is said that sometimes policemen are discharged unjustly by the police authorities. This also does not justify the system. It is better that an occasional policeman should suffer injustice than that the whole police force should be demoralized by a system which prevents prompt and decisive discipline.

For these reasons The Outlook is very glad to repeat here Mr. Goethals's sentence: WHILE I FULLY BELIEVE IN THE RIGHT OF EVERY MAN TO HAVE A HEARING, THE DECISION OF THE SUPERIOR AS TO THE CHARACTER OF THE MAN'S SERVICE SHOULD BE FINAL. For this principle The Outlook has long contended. We believe that Colonel Goethals is right, and that no Police Commissioner, however efficient, will be able to secure a thoroughly purified and honest police force until this principle is recognized in the police organization.

There are various ways in which this right of the individual to a hearing and this power of the superior to enforce discipline can be reconciled. The method of the army suggests one way. We are inclined to believe it is the best way. We should like to see the Legislature create a special court, constituting it a part of the police organization, governed by the laws and conducting its trials by the methods pursued by courts martial. To this court any man who thought himself unjustly dismissed might appeal. From the decision of this court there should be no appeal except either to the Mayor or to the Police Commissioner, as from a court martial in the army there is no appeal except to the President. Such a court would furnish a hearing to every member of the staff, and it would furnish to the Police Commissioner power to maintain prompt and decisive discipline.

We hope that the Mayor of New York City will press the Legislature for such a reform, and we hope he will have the cordial support of the press of the city and the State.

We commend the principles Colonel Goethals has laid down to the consideration of the police authorities of all the cities and the legislatures of all the States.

UNFAIR COMPETITION

The two evil extremes of commerce are unrighteous monopoly and unfair competition.

The second is almost as bad as the first—almost, but not quite. In laboring, as it has labored for the last ten years, to correct the first evil the country has lost sight of the second. Perhaps this is partly due to the fact that unfair competition is one of the elements of unrighteous monopoly. Take the question of railway rebates. When the railways gave your competitor a rebate on his freight bills and did not give the same rebate to you, it promoted unfair competition; it enabled him to compete unfairly with you.

Public opinion has so developed during the last ten years that rich man, poor man, consumer, producer, manufacturer, and financier are now unanimously agreed that unrighteous monopoly is an individual and social evil to be forbidden and suppressed by the Government. This is an admirable achievement. But in the warfare—for it has been warfare which has produced this achievement—there has been used a shibboleth which has had a confusing effect even upon men of intelligence and the best intentions. "Free competition" is this shibboleth. It has been used even by men of the best intentions to defend commercial practices which constitute unfair competition. In an article on another page a New York lawyer who has made a special study of the subject defines unfair competition and shows what has been the attitude towards it of the courts and governments of other nations. Among those who have been the first to feel the harmful effects of unfair competition are the manufacturers of Nationally advertised goods. They claim that cut prices of these Nationally advertised articles is an injustice to them and is harmful to the consumer. We think they are right. As a definite and practical illustration let us take The Outlook.

After many years' labor with such talents, energy, and capital as they possessed, the publishers of The Outlook have created for it a National name. The retail price of The Outlook is ten cents. Any dealer who sells it for less than ten cents is doing an injustice to the publishers, because he creates the impression in his community that the article is really not worth ten cents, a fact which The Outlook has been advertising and insisting upon. Second, he does an injustice to the community. If Mr. A pays ten cents for

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The Outlook and Mr. B pays eight cents for The Outlook, there is the same principle of rebates which was involved in the railway cases. It is a distinct advantage to the people of the United States to know that an article with a National reputation can be bought only at one price and in any shop or store in any town or city in the country. The man who argues against this proposition and says it is advantageous to him to buy The Outlook for eight cents if he can get it at eight cents instead of the advertised price, ten cents, is using the same selfish appeal that the supporters of rebates in the railway cases used.

To prohibit unfair retail prices of Nationally advertised articles is not a violation of free competition. If The Outlook maintains its retail price everywhere of ten cents and the paper is not worth ten cents, some other publisher will come along with either a better paper at the same price or an equally good paper at a less price. That is the principle of free competition. What unrighteous monopoly has done is to prevent or to endeavor to prevent the other publisher from his free opportunity to compete.

Judging from the bills to regulate business which have been introduced into Congress by the Administration, we think the Administration is itself suffering from this confusion of thought. It does not distinguish unfair competition from free competition. How can the two things be distinguished? How can you forbid one without throttling the other?

The problem seems to us to be a simple one. We would have no prohibitory legislation forbidding "cut prices," but we would have permissive legislation allowing the manufacturer and advertiser to make a contract under the common law with the dealer that the dealer will not cut the advertised price. If the dealer breaks this contract, the manufacturer is to be permitted to refuse to do business with him, exactly as he is permitted to refuse to do business with the retailer who declines to pay his bills. This was the situation ten, fifteen, twenty-five years ago. One of the great collar-manufacturing firms of Troy was, we believe, the first to introduce this relation between the manufacturer and the retailer in the United States. It worked well and satisfactorily until some of the extreme advocates of free competition conceived the notion that a contract between a manufacturer of a specific article and the retailer of that article was unrighteous monopoly. The way to promote free competition is to prevent a manufacturer from obtaining an artificial monopoly of all the goods in his field, at the same time permitting him to make his free agreement with the individual retailer. If it were conceivable that one manufacturer could obtain a monopoly of producing all the watches in the United States, it would of course, be unwise and unjust to allow him to fix the retail price of a watch through the dealer. If, however, Messrs. A & Co. fix the retail price of their watch at fifty dollars when it is worth only twenty-five dollars, the remedy is not to permit the retailer to cut the price, but to permit another manufacturer to come in with a twenty-five-dollar watch.

We repeat, no intelligent man asks the Government to prohibit "cut prices:" but we think the intelligence of the country does demand that the Government shall permit the private manufacturer to fix by private contract the resale price of the article which his genius has created.

THE ARMY AND THE NATION

The resignation last week of the entire civil government of Alsace-Lorraine and the German Parliament's coincident action constitute, in our opinion, a historic moment for the German nation.

On the one side, in Germany, stand the army officers and the courts martial, upholding the right of officers to intervene in civil disorders without waiting for a request from the civil authorities.

On the other side stand the people, speaking, as they did last week in Parliament, by a majority of members. They adopted a spirited resolution asserting that parliamentary action (instead of action, as hitherto, by the Kaiser through his Chancellor) should prevent the use of troops against citizens unless the civil authorities so request it.

But this, we are glad to say, was not all. The members did not wait to see whether the Emperor, through his Chancellor, would approve this resolution. The resolution took the form of a bill, in case the Emperor failed to act, prohibiting any intervention of troops without a request from the civil authorities.

We are sorry that during the debate the Ministers should have been conspicuously absent. The members of Parliament naturally

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interpreted this in its significance of disapproval, and showed their indignation by adjourning for four days as a protest against such absence.

Thus, if the German army has recently challenged the rights of the German nation, that nation has now responded in kind. And not only does it challenge the army, it challenges the Imperial prerogative itself.

William II is the cleverest prince in Europe. The great landed proprietors, the bureaucracy, the army officers, all press him to new declarations of the divine right of kings. But, as the nation's leader, he knows whether or not army officers have any real right to drive law-abiding men from the streets whenever those officers think that the civil authorities are not showing sufficient energy. More than that, he knows whether the army authorities should issue a regulation incompatible with the German Constitution. But whether he now realizes these things or not, he will be found in the end, we hope, on the side of the people, and not on the side of a military autocracy. If so, new renown is assured to him and his house.

A HOPEFUL BOOK ON THE SOCIAL EVIL

Though at first glance it may seem strange to apply the word "hopeful" to the terrible arraignment of society contained in Abraham Flexner's study of "Prostitution in Europe," recently published under the auspices of the Bureau of Social Hygiene by the Century Company of New York, the word is justifiable for two reasons. First, this volume brings immeasurably nearer the time when serious students of this world-wide problem can base their attacks upon accessible and scientific data. Secondly, it deals a fatal blow to the theorists who have maintained that the social evil can best be controlled by regulation and segregation. This position, repugnant though it is to every moral sense, has been taken by many men of undoubted sincerity of mind and honesty of purpose. Applied to any other anti-social act, its fallacy is easily perceived. No one for an instant would entertain the notion that it is desirable to set aside a district in which murder or robbery might be carried on with immunity, or where germs of tuberculosis might be propagated for the purpose of scattering them along the public ways—such a proposition would die of its own inherent offensiveness. The reason that a similar proposition, advanced in attempted "solution" of the social evil, has been accepted at all is that prostitution, owing to the widespread ignorance of its effect upon society which has existed in the past, and to the double standard of morality fostered by the overwhelmingly masculine civilization of Europe, has been traditionally regarded as a vice and not as a crime.

Mr. Flexner's conclusions regarding the reasons why attempts at regulation and segregation have failed and are being rapidly abandoned throughout Europe may be briefly summarized, though we have neither the space nor the inclination to enter into a discussion of the widely varying systems of regulation or *quasi* segregation that have been tried and found wanting. Therefore it must be understood that we use the words regulation and segregation as general rather than specific terms.

Regulation, Mr. Flexner says, has failed because it does not conduce to public order, because it institutes a vicious compact between law and crime, because it is a source of corruption to the police, because by apparently giving to prostitution the social sanction of the community it stimulates the demand, and because the prophylactic precautions taken by the authorities have been in every instance worse than a tragical farce.

Segregation, as theorists understand the word, has failed for the simple reason that it does not exist. To attempt to segregate vice is like attempting to segregate poisonous vapors by means of an electric fan. The result of attempted segregation has been to encourage the disappearing traffic in innocent or ignorant girls, to increase the profit of the pander, and to bar the hope of reform to the unfortunate women who have fallen victims to his inhuman greed.

Mr. Flexner believes that much can still be accomplished by the repression of prostitution by law and by an aroused police. Of the future of the "abolitionist movement," that movement looking to the abolition of all State connivance in prostitution, he speaks with hope and conviction. He realizes, however, the inadequacy of any effort to destroy prostitution which is not based upon a broad knowledge of such social conditions as were depicted in "The Case of Angeline," published in the issue of The Outlook for January 31, and upon the creation of an international idealism

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which cannot at present be said to exist. "Let us not," he concludes, "deceive ourselves into thinking that a direct frontal attack absolves us from effort in other and different directions. Further achievement depends upon alterations in the constitution of society and its component parts. In so far as prostitution is the outcome of ignorance, laws and police are powerless; only knowledge will aid. In so far as prostitution is the outcome of mental or moral defect, laws and police are powerless; only the intelligent guardianship of the State will avail. In so far as prostitution is the outcome of natural impulses denied a legitimate expression, only a rationalized social life will really forestall it. In so far as prostitution is due to alcohol, to illegitimacy, to broken homes, to bad homes, to low wages, to wretched industrial conditions—to any or all of the particular phenomena respecting which the modern conscience is becoming sensitive—only a transformation wrought by education, religion, science, sanitation, enlightened and far-reaching statesmanship, can effect a cure. Our attitude towards prostitution, in so far as these factors are concerned, cannot embody itself in a special remedial or repressive policy, for in this sense it must be dealt with as part of the larger social problems with which it is inextricably entangled. Civilization has stripped for a life-and-death wrestle with tuberculosis, alcohol, and other plagues. It is on the verge of a similar struggle with the crasser forms of commercialized vice. Sooner or later it must fling down the gauntlet to the whole horrible thing. This will be the real contest—a contest that will tax the courage, the self-denial, the faith, the resources of humanity to their uttermost."

This volume of Mr. Flexner's is the second in the series of four arranged by the Bureau of Social Hygiene. This Bureau was created as a result of the work of the Grand Jury which investigated the white slave traffic in New York City in 1910. The first book dealt with "commercialized prostitution in New York." It was a necessary work, but so terrible as almost to shake the reader's faith in humanity. The third volume will be an account of European police systems, by Raymond B. Fosdick. The final volume will deal with prostitution in the United States, and in this it is hoped that a programme soundly based on fact and experience may be suggested. Within the lifetime of the present generation, within the present century, we have no expectation that robbery, murder, or prostitution will be wiped off this earth. Confronted by such a situation, however, there is little indication that civilization is planning an ignominious surrender. The spirit of the Crusades died neither with Peter the Hermit nor yet with Richard of the Lion Heart.

THE COPPER-MINERS' STRIKE

In a great district like that of the copper region of northern Michigan no one person can see everything. Concerning such a great conflict as that which has involved this whole region no one person's report can be adequate. The article that was published in last week's issue concerning this strike by one who had been on the ground gave one view. Mr. McDonald's article, printed on another page of this issue, gives another view. The same facts as reported by two observers may seem to have contradictory significance. For example, from the point of view of the observer whose article appeared last week, the Citizens' Alliance in the strike region appears to be an ally of the mine-owners; from the point of view of a reader of The Outlook who has written to us an informing letter, it appears to be the union of the best citizens of the community to form a body of minute-men for common protection and for the maintenance of good order.

Still another observer has assured us that if the wage system is accepted as a just system, conditions of labor could not be better than those in this copper region.

This latter statement is significant, not only because it suggests another point of view, but also because it indicates the real nature of the strike. The grievances of these miners as to specific conditions are incidental to a demand on the part of wage-earners that they shall have something more to do with the industrial system than to work and be paid at the market rate. In its editorial comment on this subject last week The Outlook did not undertake to pass judgment on the issues involved; nor does it undertake to do so here; but it is impossible to ignore the question that lies at the bottom of them. This strike is symptomatic of that unrest which is due to the widespread feeling that alongside of political democracy there must be established a real industrial democracy.

It is the chief business of the American

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people in these days to see that in the development of such industrial democracy lawless violence and equally lawless autocracy be held in check, and at the same time to promote and establish in custom and law the spirit that is essential to every kind of democracy—the spirit of co-operation.

COMPOUNDING A FELONY

The Century Dictionary defines compounding a felony as follows: "To agree, for a consideration, not to prosecute or punish a wrong-doer for a crime or felony."

For several years the Republic of Colombia has insisted that the Government and the people of the United States committed a felony when they took the Panama Canal Zone. Up to the present time the Government and the people of the United States, with a comparatively few exceptions, have not only denied that there was any felony or wrong-doing in the transaction, but have asserted that it was wholly honorable to the United States.

It is now circumstantially announced in the daily press that the Administration at Washington is seriously considering the plan of offering to the Republic of Colombia the sum of $25,000,000 in settlement of her claim. The folly of such a procedure is so clearly set forth in a letter which we have received from Dr. W. S. Rainsford that we desire to call the special attention of our readers to it by printing it in full in this place:

To the Editor of the Outlook:

Sir—The question of our duty to make compensation to the Republic of Colombia has been persistently brought before the public. The matter is no longer one of mere political gossip.

Many reports of what the Administration proposes to do come from Washington.

An influential part of the daily press deals with the subject as though on all hands it must be admitted that some reparation by us to the people of the little state is due.

We are assured that our greater Republic has unjustly bullied the lesser, and that for this action the Roosevelt Administration is responsible.

Now, sir, I submit that to most open-minded men it should be evident that, whether the action of that Administration was right or wrong, this is not a case in which any Administration should propose the payment of a sum of money by the people of the United States to the Colombian Republic.

Look at the question practically.

To go back of the diplomatic action of our chosen representatives—to pass in review the pro and the con—is quite beyond the power of the vast majority of us.

But certain facts cannot be disputed, though they may be, and often are, forgotten. It is only fair to ourselves to say that we are a just-minded people. Furthermore, in this matter our affairs were in the hands of one on whose name no slightest shadow of dishonor ever rested, and who, all over the civilized world, has come to be recognized as perhaps the greatest and straightest diplomat of his time.

The uprightness of John Hay's character, the wideness and clearness of his vision, need no restatement to-day.

No pressure of any sort, or from any quarter, could have induced him to create an instrument which in his fine and well-informed judgment was unfair to the weak and dishonorable to the strong.

If, then (and I confess it is to me an almost unthinkable "if"), the United States cheated Colombia, no paltry conscience fund of $25,000,000 paid over can for an instant atone for our wrong-doing.

If we did not cheat Colombia, it is putting shame on our land and casting a slur on her honor to palter with the matter, as though it were a fit question of party politics.

Thousands of our people go abroad yearly, yet, travel as they may, they do not easily get beneath the surface of Continental life. We are strangers in Europe. Its people are still curious and somewhat doubtful about us. What we can do with our great country, what we can make of ourselves, they wait to see. We seem to them an untried, untested force among the nations. They praise and yet fear us. They have not yet given us their trust.

Traditions die hard in old lands, and the traditional Yankee is sharp and unscrupulous. I say tradition dies slowly. How, then, would $25,000,000 conscience money paid by the people of the United States under one Administration for National cheating accomplished under another—how would such action affect, think you, the standing of our country abroad!

It would be hard to exaggerate the shame of it.

A question of National honor cannot be

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treated in this way—and it is monstrously stupid to fancy for one moment that it can. A money sop thrown to Colombia would lower our Nation in the eyes of the civilized world—and the people of the South American continent would despise our shilly-shally policy. If the matter is worthy of serious treatment, one course, and one only, is open to us. Let us do as England and we did thirty years ago. Let us lay the question before an impartial and wholly competent court of arbitration There is a court chosen to pronounce on just such questions. Then, if we are adjudged in the wrong, we make amends without dishonor. If we are in the right, we stand approved of all men, and especially of those lesser peoples whose guardians and champions we so persistently have proclaimed ourselves to be.

W. S. RAINSFORD.

New York, January 29, 1914.

Though we see no reason why the United States should offer to lay this matter before the Hague Tribunal, we strongly agree with Dr. Rainsford that such a course of action would be far preferable to the payment of hush money.

LETTERS TO UNKNOWN FRIENDS

The Bible teaches us, and I would gladly believe, that the soul is immortal. But it also teaches us that God created man in his own image—certainly not the body, the mere organ through which the soul finds expression. The soul then is a *creation*, and why is it not subject to the universal law that all created things must have an end? AN INTERESTED READER.

Are you sure that the soul is a creation? Paul speaks of man as the offspring of God, quoting with approval this phrase from a pagan poet. It is perhaps impossible to draw sharply a line of distinction between these two conceptions—the conception of man as made by God, as one makes a statue or a painting, and of man as sprung from God, inheriting his nature because emanating from him. I have no opinion to express upon this interesting but abstract problem, but I am sure that the evidences for immortality are not to be overthrown by the two assumptions, first, that man is a creation, not an emanation, and, secondly, that no creation can share the immortality of its creator. Material things cannot, so far as we can see, be immortal. The real question is this: Is man a material machine, that is, a body merely, or is he an immaterial spirit, occupying for a time a material body? I believe the latter; therefore I believe that the death of the body does not indicate the death of its tenant, that is, the spirit that dwells in the body.

What is the true interpretation of First Thessalonians iv. 14–18?

Much as I believe in the second advent of our Lord, I cannot accept the literal meaning of these verses. I feel that St. Paul is speaking in highly figurative language, and in terms corresponding to Jewish apocalyptic ideas.

Will you please describe the purpose of redemption as a whole, also the true meaning of the second advent, the Resurrection, and the Judgment. ANXIOUS.

I agree with you in thinking that the passage you refer to is not to be taken literally; that in this passage Paul is speaking in highly figurative language and in terms corresponding to Jewish apocalyptic ideas. In our study of New Testament prophecies there are three principles which may guide us:

1. It is not the object of prophecy to satisfy curiosity about the future. It is to inspire in the souls of men a hope which will lead them to walk forward toward a better future and by their daily life and conduct to prepare for it.

2. This better future involves a clearer revelation of God, a better understanding of his character and his work in the world, than we now possess. In it will be given the answer to the prayer, "Nearer, my God, to Thee, nearer to Thee." Christians have walked too much with their faces turned toward the past. The prophecies of the New Testament bid them, as the prophecies of the Old Testament bade the Jews, to turn their faces toward the future.

3. The best understanding of that future is to be found in the teaching of Jesus Christ in his parables of the kingdom of God. Some of the teaching of the Apostles is confused by their anticipation of an immediate coming of Christ in clouds and great glory to complete by instantaneous and miraculous action the redemption which he himself clearly indicates by his teaching can be accomplished only by a gradual growth extending through long ages of development.

To "describe the purpose of redemption as a whole" cannot be attempted in a paragraph any further than by saying that it is bringing about an answer to the prayer, Thy kingdom come, thy will be done, on earth as it is in heaven. LYMAN ABBOTT.

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THE MICHIGAN COPPER-MINERS

BY P. B. McDONALD

*Last week The Outlook printed an account of the copper-miners' strike by an observer who presented the situation from the strikers' point of view, though with evident desire to be fair to the other side. This week The Outlook prints an article by a mining engineer who writes from another, though not necessarily conflicting, point of view. This article supplements the other. That was what a spokesman for the strikers has to say; this is what a keen spectator notes. Mr. McDonald's article is an interesting and discriminating description of the kind of men who are actually engaged in taking out the ore. It does not undertake to analyze the situation, or even to state the issues; but it does give a picture of the men which we believe will help our readers to understand the situation and reach some judgment about the issues. A brief editorial discussion of some of the aspects of this strike may be found on another page.—*THE EDITORS.

THE narrow peninsula that extends northeasterly for a hundred miles into Lake Superior contains the copper-mining district of Michigan. It has been stated by an eminent mining engineer that there are three great mining districts in the United States whose general appearance is attractive, contrary to the well-known rule that mining camps are anything but attractive: they are the Grass Valley gold district in California, the zinc and lead fields of the Ozark region, and the "Copper Country" of Michigan. The otherwise northerly climate of the copper peninsula is softened by the proximity of Lake Superior; the country is in a way picturesque; and the mines have always been of the clean, dry variety. About one hundred thousand people live on the peninsula, and all are directly or indirectly dependent upon the mines. The copper mines are the deepest in the world (about a mile vertically); one of them, the Calumet and Hecla, is perhaps the most famous copper mine on the continent; the mining companies have been financed largely by Boston people. For fifty years, indeed since the beginning, mining in the Copper Country has been peculiarly free from labor troubles, and no general strike was ever called until the present one. The miners were for a long time Englishmen, and that particular brand of the English called "Cornishmen," because from Cornwall, England.

Cornishmen are similar to the Welsh in that they were originally driven from England proper by invaders from the Continent into the extreme western portions of the island. The Cornish have long been the most famous miners in the Anglo-Saxon world; their tin mines are marvels of old-fashioned ingenuity. Many of the Cornish families have been miners for generations, and are proud of it. In Michigan the Cornishmen are called "Cousin Jacks," and are noted for their homely and peculiar mannerisms. Perhaps fifteen per cent of the copper-miners are still Cornishmen, but of these many are foremen, shift bosses, and "captains," as they are called, and the Cornish temperament is still important. As miners the Cornishmen are particularly well fitted; they instinctively understand underground matters, rock drilling by hand or machines, and the dangerous business of blasting and the handling of dynamite. They can be relied upon to do thoroughly what they do, even if not watched, and are particularly successful on contract. From the nature of underground work, with hundreds of miners scattered in groups of two in different drifts, it is difficult to give close supervision to any particular one.

Also the business is a dangerous and, in a way, a pioneer one. Under these conditions the Cornish miner became a self-reliant, capable worker, who used his head and did a thing right the first time. At the same time he chafes at too much "bossing," and wants to do things his own way. It is a well-known fact around the mines that when a Cornishman feels like it he will sit down and "smoke 'is pipe." Even while doing so, however, he may be revolving in his head a method of going at a certain job; and again

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it is often necessary in underground mining to get out of the way and sit down while blasting is going on, and then to wait twenty minutes for the noxious powder fumes to clear out. When "efficiency engineering" or "scientific management" began to be introduced in Lake Superior mining, two or three years ago, the following poem printed in the New York "Times" expressed the Cornish miner's opinion of it:

BILL AND THE SUPE

"Now listen to me, while I tells to you
The tale of the Supe an' Bill McGrue.

Bill, he was takin' a little mope
After drillin' his holes in the stuffy stope,

An', settin' down on a timber car,
He lights a match to a bum cigar.

He scurcely more than gits a light
When a guy in overalls heaves in sight.

'Taking a rest?' says he to Bill.
'You bet!' says William, an' sets right still.

'Ain't you got nothin' at all to do?'
'I have,' said Bill, 'when I'm ready to.'

'What would you do,' says the stranger guy,
'If the shift boss happened to wander by?'

'I'd set,' says Bill, 'like a tired bloke,
An' take my time fer my rest an' smoke.'

'Do you know,' says the stranger, 'who I am?'
'I don't,' says William, 'nor care a damn!'

'Well, I am the Superintendent here!'
Bill's grin extended from ear to ear.

'The Supe,' he says, 'of the hull big mine?
That's bully,' he says; 'that's grand, that's fine;

A mighty good job fer a man to git;
If I was you I would tend to it!'

Then Bill leans back on the empty car
An' goes on smokin' his bum cigar."

When cheap foreign labor of the more undesirable kind began to crowd into the United States, the copper mines received their share of it.

In 1912 it was estimated that eighty per cent of the Michigan copper-miners were immigrants, mostly Finns, Poles, and Austrians. The Cornishmen ceased to be a majority and became a minority; probably the most numerous nationality is now the Finns. Many of the mining settlements, or "locations," as they are called, became distinctly Finnish in character; Finnish stores, shops, "labor temples," etc., began to appear. The Finns are a hardy race and make fair miners when not too numerous; but they are inclined toward Socialism, are often ignorant and racially sullen. It has been pointed out that the predominant national elements in the copper strike are the Finns and the Poles; and that both Finland and Poland in Europe are oppressed countries which Russia misgoverns.

When these nationalities come to America they are liable to have extreme Socialistic or Anarchistic tendencies, and they do not take the pains to ascertain whether or not the government of the United States is oppressive, but assume that it is similar to that of Russia.

To care for immigrant labor and to counteract Socialistic tendencies the copper-mining companies assumed a paternal attitude. They built company houses renting at nominal sums of a few dollars a month, erected libraries, school-houses, bath-houses, etc., arranged for doctors' services, and generally sought to make the mining communities satisfied. These benefits have been largely dwelt upon by many investigators of conditions in the strike region. A mining man of rather wide experience in handling labor has said that such a perverse thing is human nature that miners would prefer a few cents more per day in their pay envelopes than to have community benefits such as company houses, libraries, etc. Thus the copper-mining companies at Butte, Montana, pay higher wages than in Michigan, and make little effort to be paternal. Many investigators of the causes of the strike have stated that the Michigan wages seem high enough compared to the local cost of living, that living conditions are excellent for a mining district, and that the mining companies are entirely right. On the other hand, Mr. Moyer and the leaders of the strike maintain that such a widespread strike affecting so many thousands of miners for so many months could not be possible without solid economic reasons.

The causes of the strike are, like the causes of a national panic, due to a state of mind which in turn is the result of economic and social conditions, many of them apparently trivial. The miners' contention that they are mistreated by petty bosses is a difficult matter to investigate, and yet plays an important part with a miner. The companies state that in any industry men complain that they are mistreated by petty bosses. Such a matter as this, and a variety of psychological influences due to the peculiar Cornish and Finnish temperaments, paternalism, and the unusual character of underground labor, are difficult to "investigate" and more difficult to express in print or by statistics.

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WHAT EVERY INCOME TAX PAYER SHOULD KNOW

SPECIAL CORRESPONDENCE

YOU probably know that one section of the Tariff Law enacted by Congress on October 3, 1913, provided that all the larger incomes of the country were to be taxed; but have you taken steps to find out whether your income is included in the class upon which the levy is to be made? If you have, you have doubtless been both amazed and disheartened at the vast amount of uncertainty and confusion that envelops the whole subject; but if you have not, it is high time that you did so, for the law provides a penalty for failure to report taxable incomes to the Internal Revenue officials on or before March 1.

THE PUZZLE OF THE LAW

Never was a piece of legislation foisted upon the citizens of this country so full of ambiguities and solecisms as this income tax law. It is full of "ifs," "ands," "buts," provisos, and other pitfalls, and its sentences are in many cases so long that you have forgotten where you started minutes before a period heaves in sight. Mr. Stuart Patterson, of the Guaranty Trust Company of New York (who by a carefully prepared statement and by criticism and suggestion has rendered indispensable assistance in the preparation of this article) has had some of the longer sentences of the law counted, and has found one that contains 1,214 words, or nearly as many as sufficed our ancestors in framing the entire Declaration of Independence. Full of passages whose meaning is befogged by clouds of verbiage and cumbered by chains of dependent clauses, the text of the law is more than a match for the wits of the layman, who must fall back upon those interpretations issued from time to time by the Treasury Department and upon the digests and synopses of the law—some of them excellent—which have been published by banking houses, trust companies, and other private concerns.

Unfortunately, some of the interpretations and administrative rulings issued by the Treasury Department have done little to clear up the confusion created by the ambiguities of the law itself, and indeed it is very difficult for the prospective payer of the tax to keep posted on these edicts at all, as they are not to be had from the Deputy Collectors of Internal Revenue until some days after their issuance at Washington, and then only in limited supply. Thus it frequently happens that just as a man has decided, after days of careful study, how his income return should be made, comes another instruction upsetting his theories entirely.

Yet the fact remains that the law is in force and must be obeyed. The question is, how can the individual fulfill his obligation with a minimum of annoyance and expenditure of time?

The law divides those upon whom this tax falls into three classes: individuals of lawful age paying their own taxes; parties paying the taxes of others—as trustees and fiduciaries; and corporations paying taxes for themselves. Three numbers of The Outlook would not provide sufficient space for discussion of all the regulations that affect these three classes of taxpayers, and it is the scope of this article to consider only the more essential and less intricate of those rules that govern the man or woman who submits a return on his or her income. If you are puzzled by some complication not herein considered, write to or call upon the collector of your district.

The first thing the individual wants to know is whether he or she must make any return at all.

WHO ARE TAXED

Briefly, all citizens of the United States, resident or not, and all aliens living in the United States whose net incomes during the ten months from March 1, 1913, to January 1, 1914, exceeded $2,500 in the case of unmarried persons and $3,333.33 in the case of married persons living with their spouses, are subject to a tax of one per cent, known as the Normal Tax, on their incomes up to $20,000, and to a further and graded tax of from one to six per cent, known as the Additional Tax, on all income above $20,000. Non-resident aliens are affected by these provisions as to their income derived from property owned in the United States or business carried on therein. Income returns are due on March 1 each year; notice of the amount

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of the assessment is given on or before June 1, and the tax must be paid on or before June 30.

Doubt has arisen as to whether the "specific exemptions," as they are called, of $2,500 and $3,333.33 refer to gross income or net income. Thus, should an unmarried woman whose gross income was $2,900 for the ten months of last year to which the tax applies, but whose net income, after making allowable deductions for taxes, business expenses, etc., was only $2,400, make any return at all? Apparently the law applies to net income, and would not require her to make any return; but some uncertainty exists on this point, and a safe rule to follow is "when in doubt make a return." It can do no harm, and it may save you a good deal of annoyance.

WHAT THE TAX PAYER MUST DO

Returns are made on blank forms provided for this purpose, and the first thing for the individual to do who suspects that his income is taxable is to get a form from the Collector of Internal Revenue in the district wherein the taxpayer has his place of business, or in the district wherein he resides if he has no place of business. There are sixty-three of these districts in the country, and the address of the collector of your own district you can get at any bank or cigar store. It is the duty of every one to keep an account of his income—no easy task, perhaps, for authors, actors, and others whose remuneration is variable and spasmodic.

The form used in this case, known as "Form 1040," comprises four pages, one containing instructions, another for the entrance of the items that make up one's gross income, another for the itemizing of the "general deductions," while the first is devoted to the process of subtracting these deductions from the gross income to get the net income. From this, in turn, the following items are subtracted: the "specific exemption;" the amount of all dividends which as part of the net earnings of corporations have already been assessed for a like tax and so are not properly taxable here; and, last, the amount of income on which the tax has been "withheld at the source." This second subtraction gives us the "taxable income," on which must be paid the Normal Tax of one per cent on or before June 30.

When you have checked up your Normal Tax, if you are a Crœsus, you must still account for your Additional Tax, which is levied at the rate of one per cent of the amount of your income from $20,000 to $50,000, two per cent on the amount from $50,000 to $75,000, three per cent on the amount from $75,000 to $100,000, four per cent on the income from $100,000 to $250,000, five per cent on that from $250,000 to $500,000, while all annual gains that you may be lucky enough to have above half a million dollars are taxed at six per cent.

"Net income" includes all "gains, profits, and income" derived from any source between March 1 and December 31, 1913, inclusive, except proceeds of life insurance contracts and endowment or annuity contracts, interest on State, municipal, or Federal Government bonds, compensation of certain officers and judges of the United States and of all officers and employees of a State or any political subdivision thereof, and the value of property acquired by gift or descent. The income from such property, however, is properly included in net income.

The following deductions may ordinarily be made in calculating net income from gross income, but for the "short" year of 1913 only five-sixths of the total amount of each item for the calendar year is allowable; business expenses, but not personal living nor family expenses, interest paid on personal indebtedness, all taxes except special local assessments, losses sustained in business or arising through fire, storm, or shipwreck not covered by insurance, bad debts written off, and reasonable allowance for depreciation of property used in business.

Perhaps the part of the law which has been most discussed is this "payment at the source" feature. Under this provision, after 1913 all persons, corporations, trustees, etc., making payment of interest, salaries, rents, or other fixed or determinable annual or periodical income (other than dividends on capital stock) of another person exceeding $3,000 a year (or $4,000 where the person on whom the tax is withheld is married and living with his or her husband or wife) shall withhold the Normal Tax of one per cent on such sum and pay the same to the collector.

In the case of interest on bonds and mortgages, or other similar obligations of corporations, interest on foreign obligations and dividends on stock of foreign corporations, the Normal Tax shall be deducted at the source in the above manner, although

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the yearly payments do not exceed the sum of $3,000 or $4,000 as the case may be.

Persons holding bonds, mortgages, and other similar obligations of corporations whereon the interest is subject to taxation at the source are supplied by the Government with certificates through which they may claim the benefit of the specific exemption in their cases, presenting these certificates to the debtor corporation at the same time they present their coupons for payment, and thus preventing the withholding of the tax on the interest to the extent of the exemptions claimed. Foreigners living abroad who hold obligations of American corporations are exempt from taxation on these obligations, a provision calculated to coax foreign capital to the United States. Some corporations, having covenants in their bonds exempting holders of the bonds from any taxation on the bond interest, have been making a practice of deducting the tax at the source as the Government demanded, and then reimbursing their clients so that the latter were taxed but lost no income. This "tax-free covenant" will be barred from all future bond issues.

"Estimated advance in value of real estate," it is ruled, "is not required to be reported as income unless the increased value is taken up on the books of the individual as an increase of assets." It is not decided whether a similar increase in the value of a stock and bond investment should be similarly treated, but, arguing from analogy, such would be the case. Neither does the law say that a decrease in the value of investments may be treated as a business loss and deducted from gross income. It is certain, however, that no small number of business men have quietly resolved that in making their own income returns diminutions in the value of investments will be deducted as losses, and it seems reasonable that they should do so. As the interpretation of this and many other doubtful points in the law is left wholly to the conscience of the individual, it is difficult to see how the Government can validly object to such procedure.

A great deal of confusion has arisen concerning the specific exemption to be claimed by husband and wife living together, despite the fact that the law seems to be sufficiently explicit. In accounting for the Normal Tax, a man and his wife living together, even though each has a bona-fide and separate income, are entitled to an exemption of $3,333.33 from their aggregate net income for 1913. *And if the income of either separately is over $2,500, a return of the income of both is required even though such combined income is less than $3,333.33. If their combined income is more than $3,333.33, a joint return is required even though neither has a separate income of more than $2,500.* When a joint return is made, each must sign it. Husband and wife living apart are treated as two single persons.

It would naturally be supposed that in estimating the Additional Tax of married persons inhabiting the same domicile the same rule would apply and their incomes would be treated as one for the purpose of allotting the specific exemption. Such is not the case, however. The Commissioner of Internal Revenue has decided in a letter to an individual—and the rule should hold, although not made public up to the time that this article went to press—that the incomes of husband and wife, which have just been considered as one in determining the Normal Tax, shall be taken as separate when calculating the Additional Tax. The particular dictum was on a case where a man and his wife each had a bona-fide distinct income of $15,000 a year. It was held that the incomes should be treated as two of $15,000 each, which would be exempt from the Additional Tax, rather than as one of $30,000, subject to the Additional Tax.

Having reviewed the cardinal principles governing the filing of returns, consider the application of these principles to specific cases.

CASES IN POINT

Suppose you are a prosperous physician in a large Western city. You are retained as medical inspector for an insurance company, we will suppose, and for your services have received during the "year" from March 1, 1913, to January 1, 1914, to which the tax is applicable, salary amounting to $5,000. You are also a lecturer at a college for young men in the city in which you live, and $2,000 has accrued to you during the same period from this source, while your income from your private practice, including fees unpaid but considered good and collectible, has amounted to $5,200. Other items of income which you ought to include in your return to the Collector of Internal Revenue for your district are dividends on the stock of a manufacturing corporation amounting to $2,200;

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interest on registered bonds, $800; interest on coupon bonds, $1,200; interest on foreign bonds, $650; interest on savings in banks, $430; bond interest from a trust fund, $1,000; rents on two small houses owned by you, $800; and profit on a real estate deal, $300. The last figure represents the difference between the estimated value of the piece of real estate on March 1, 1913, and the price you got for it when you sold it in December.

Furthermore, you are married, and your wife has an income of $4,750, made up of the interest on coupon bonds, mortgages, and a bequest. Thus the gross income of yourself and wife is $24,330.

The next step is to determine the amount of the deductions which the law allows you to make in order to ascertain your joint net income.

In your case, the items which may legally be deducted are, we will say, $2,800 for medical supplies during the year and salary of your assistant, $600 more for the interest on mortgages on your property, $500 more for debts found during the year to be worthless, $400 for interest on a loan, $300 for taxes, and $2,000 eaten up by the destruction by fire of a house of yours which was not insured; $1,200 for rent of the office which you hire outside your home; making total general deductions amounting to $7,800, which, subtracted from your joint gross income of $24,330, leaves a joint net income of $16,530.

Inasmuch as stock dividends are part of the net earnings of corporations and are taxed as such, the law provides that no individual holder of stock shall be taxed on them, and you are accordingly entitled to deduct the $2,200 of your income derived from such a source, and a space is left in the form for this purpose. Another provision exempts you from taxation on the bond interest paid after November 1, which has already been taxed at the source. You and your wife, by the supposititious figures we have taken, last year derived an income of $7,350 from interest on bonds. We will imagine that $1,000 of this bond interest was taxed at the source after November 1, and this sum, therefore, will also go into the deduction column, and by another process of subtraction we find that the joint taxable income of yourself and wife is $9,996.67 after deducting the specific exemption of $3,333.33. Your tax is therefore $99.96.

Here is a recapitulation of this hypothetical case as it would be entered on "Form 1040:"

GROSS INCOME

Description of income	Income on which tax has been withheld at source	Income on which tax has not been withheld at source
Salary from insurance co...		$5,000
Salary from college.....		2,000
Professional fees.....		5,200
Interest of registered bonds		800
Interest of coupon bonds...	$600	600
Interest of foreign bonds...		650
Interest on savings in banks		430
Interest on trust fund bonds		1,000
Rents on two houses.....		800
Profit on real estate deal...		300
Wife's income		
Interest on coupon bonds..	400	3,100
Interest on mortgages.....		1,050
Interest on bonds from bequest.....		200
Totals.....	$1,000	$21,130
		1,000
		$22,130
Dividends from stock subject to like tax.....		2,200
Gross joint income.....		$24,330

GENERAL DEDUCTIONS

Medical supplies and assistant's salary.		$2,800
Interest on mortgages on houses.....		600
Interest paid on loan.....		400
Taxes.....		300
Uninsured loss by fire.....		2,000
Debts written off as worthless.....		500
Office rent.....		1,200
Total.....		$7,800
Joint gross income.....		$24,330
General deductions.....		7,800
Joint net income.....		$16,530
Stock dividends subject to like tax.....	$2,200	
Amount of income taxed at source.....	1,000	
Specific exemption for married couple living together	$3,333.33	
Total.....		$6,533.33
Joint taxable income....		$9,996.67
Joint Normal Tax.....		99.96

It will be noticed that no part of the salary in the case above was taxed at the source. This is in accordance with the ruling of the Treasury Department, that for 1913 only those salaries were to be so taxed which exceeded $3,000 during November and December alone—in other words, annual salaries in excess of $18,000.

For an instance where there is salary taxed at the source, and also for an example of how

(Continued on page following illustrations)

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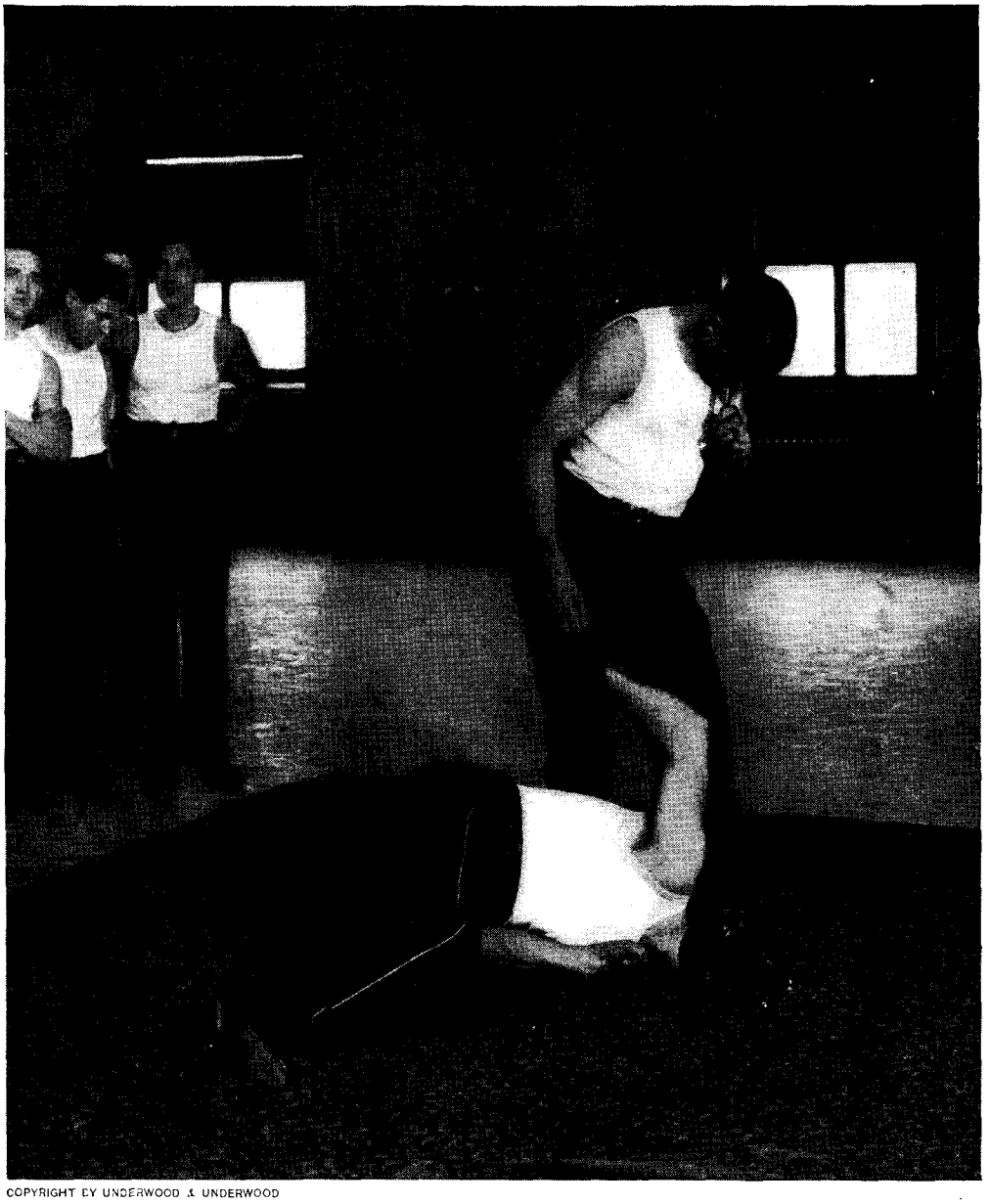
Current Events Pictorially Treated



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TRAINING THE MEN WHOM GOETHALS HAS BEEN ASKED TO COMMAND

Colonel Goethals has applied the ideals of the army officer to the building of the Panama Canal. Though named by the President as Governor of the Canal Zone, he may yet find it possible at some future time to accept Mayor Mitchel's invitation to apply these same ideals to the Police Department of New York City. At any rate, in offering Colonel Goethals the Police Commissionership, Mayor Mitchel has set police standards high. He believes in the police, and has recently issued a statement that policemen will have the support of the administration in using such means as may be necessary in guarding the city from the violence of desperate criminals. In order to deal with such offenders without brutality, police recruits are trained at Headquarters, where this picture was taken. The photograph here shows the method of restraining a prisoner while the policeman keeps both hands free and blows his whistle for assistance. On another page will be found an editorial discussion of the question of police discipline which has been raised anew by Colonel Goethals in answer to Mayor Mitchel's offer of the Police Commissionership

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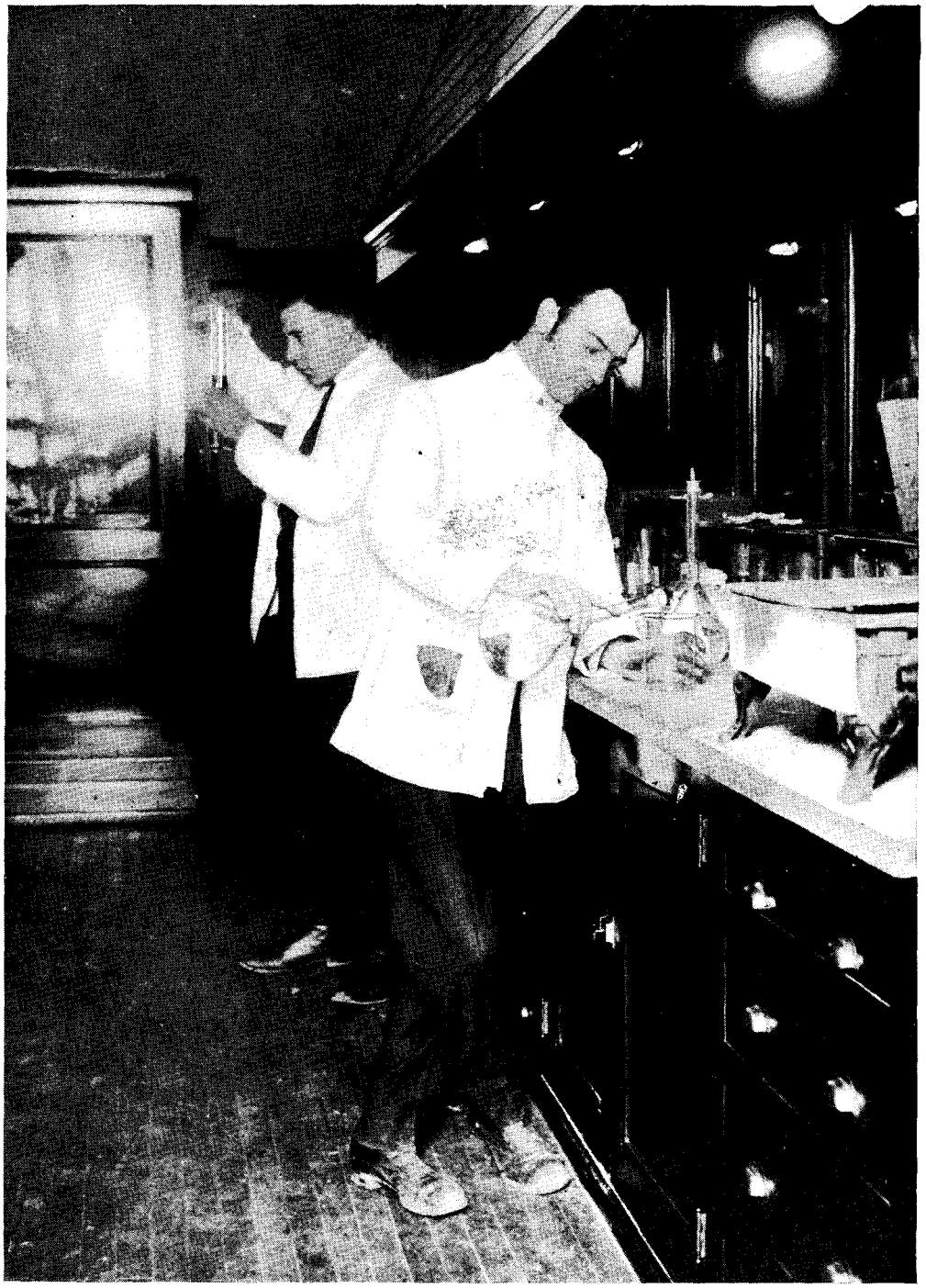

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A PHOTOGRAPH OF RADIUM RAYS

This picture is, according to the statement of the International News Service, the first photograph ever taken that actually shows the radium rays—seen above the glass graduate into which the chemist in the background is pouring the liquid. This photograph was made at the laboratories of the Radium Chemical Company of Pittsburgh, which produces twelve grams of radium a year, valued at $1,200,000

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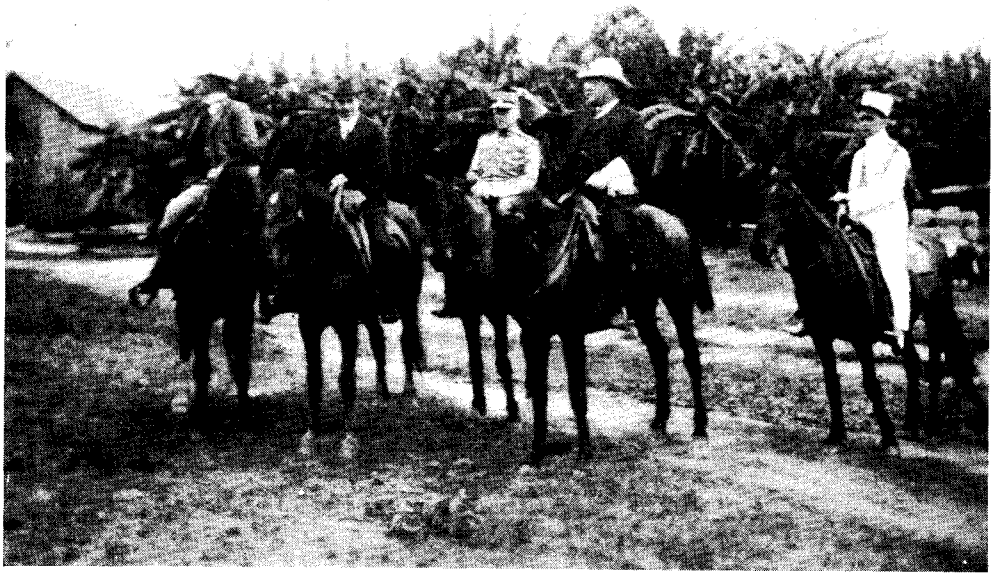

THE RIDE OUT TO THE RANCH OF THE BRAZIL LAND, CATTLE, AND PACKING COMPANY

PHOTOGRAPHS BY F. HARPER

THE TWENTY-ONE MILE RIDE THROUGH THE WELL WATERED AND TIMBERED COUNTRY

MR. ROOSEVELT IN THE RANCH COUNTRY OF SOUTHERN BRAZIL

In the upper picture Mr. Roosevelt is the second figure from the right; in the lower, the third figure from the left

See article in this issue giving Mr. Roosevelt's experiences and observations in Brazil, and continuing the South American series

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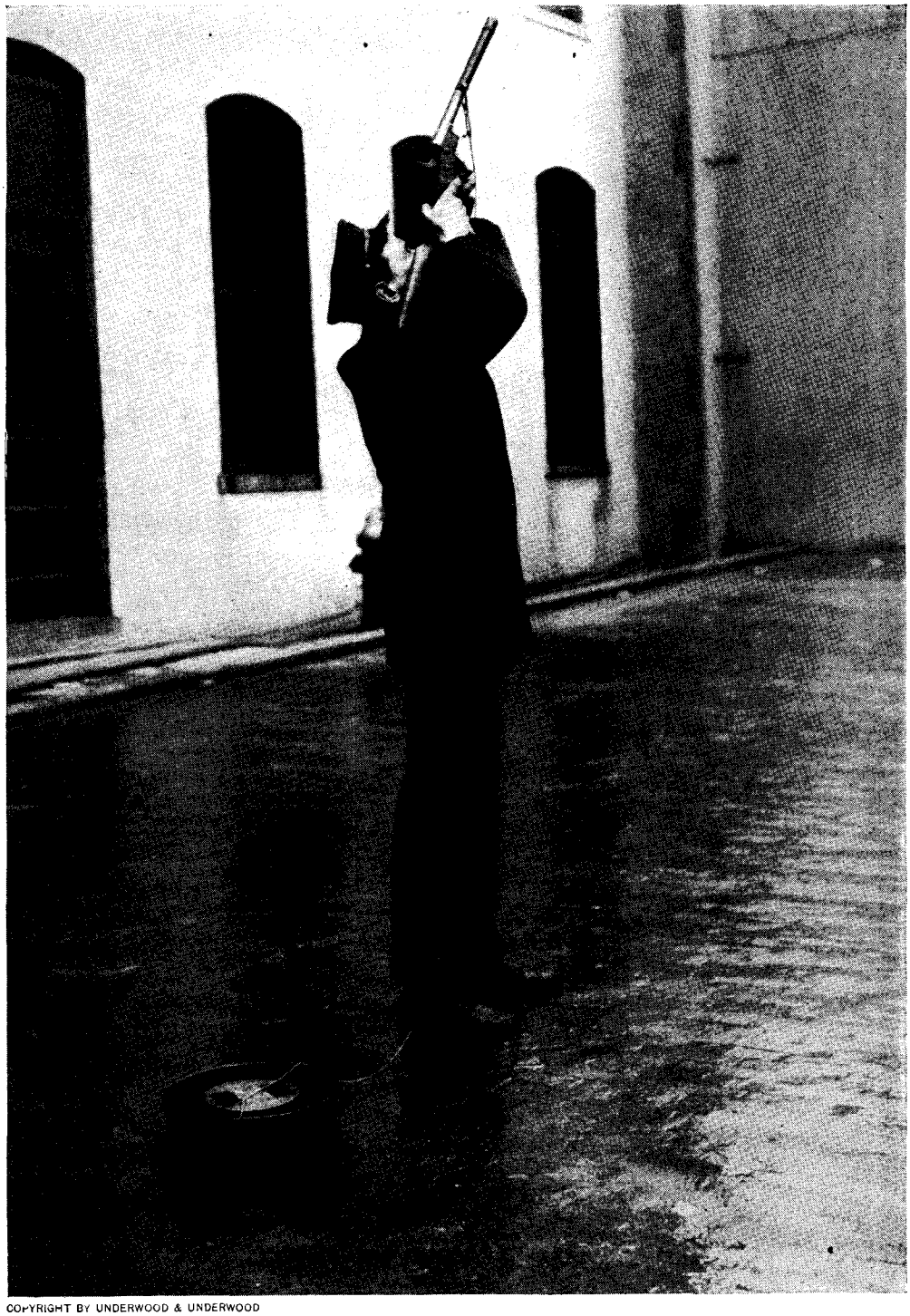

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A LIFE-SAVING GUN THAT SHOOTS A ROPE

The fireman is ready to shoot the life line to the beleaguered victim at the window

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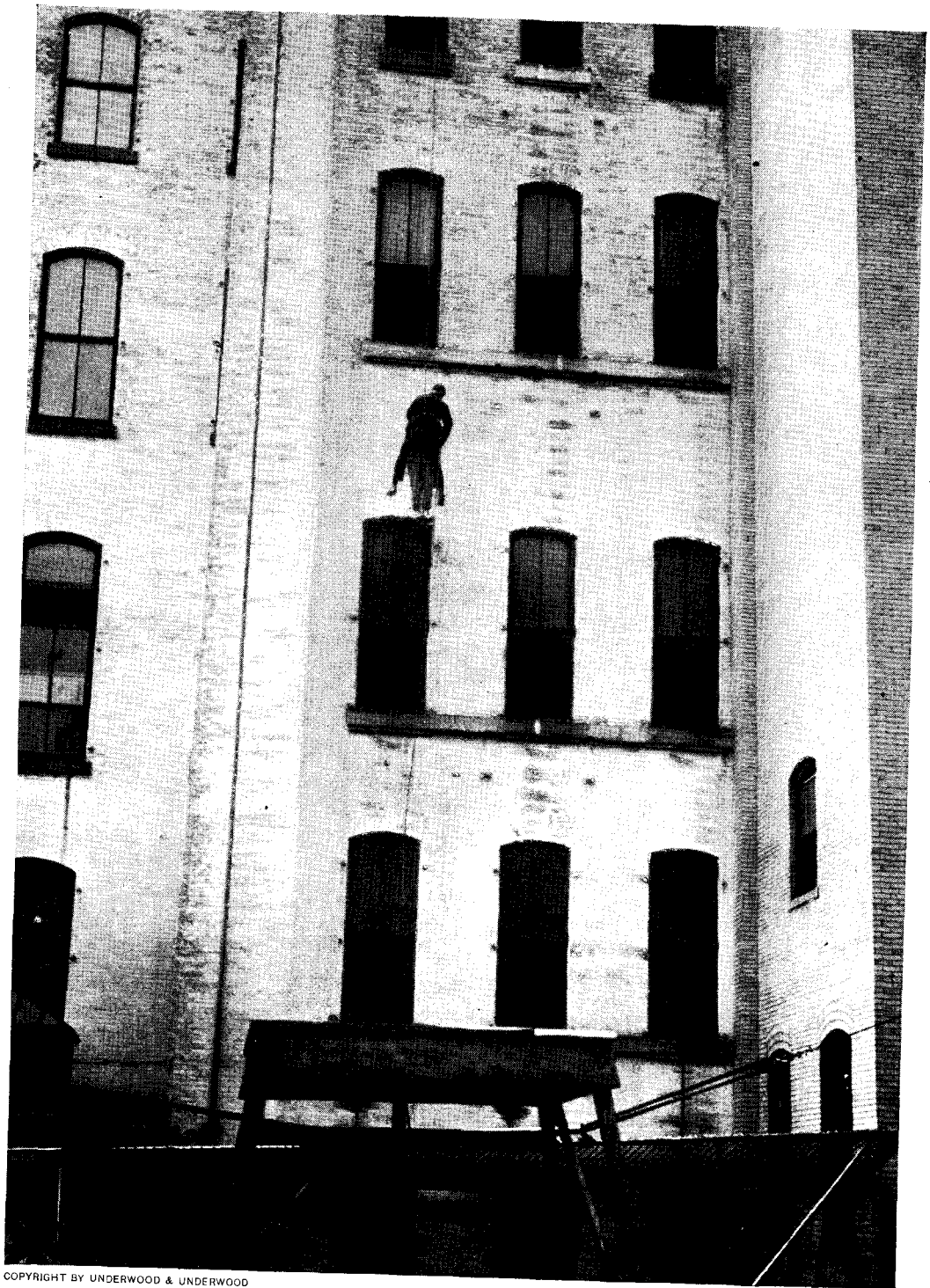

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TO RESCUE PERSONS IN BURNING SKY-SCRAPERS

The line having been shot to the required position, the rescue is effected

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"I say—er—do you keep any men's toys?"
—*From Punch*

Visitor. "And can your little Elsa say anything?"
Mother. "Elschen, just say 'Good-by, Herr Muller.'"
—*From Fliegende Blätter*

THE MODERN CHILD AS SEEN BY EUROPEAN HUMORISTS

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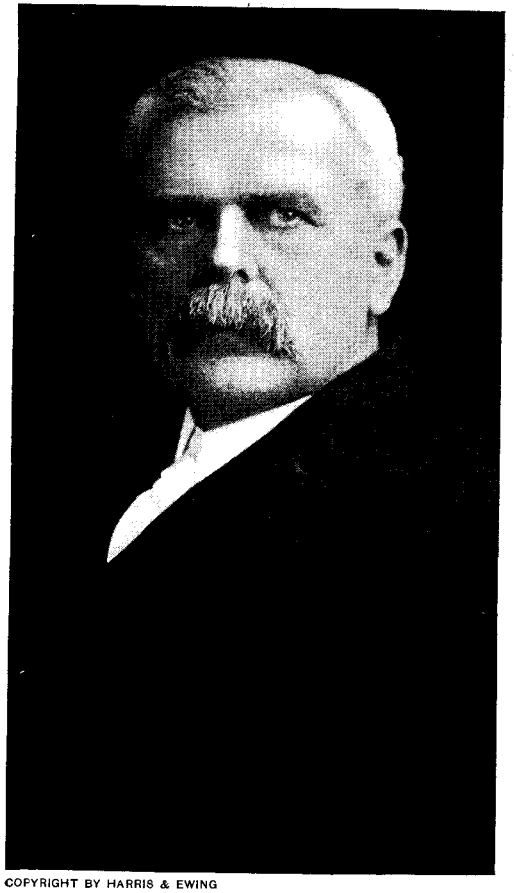

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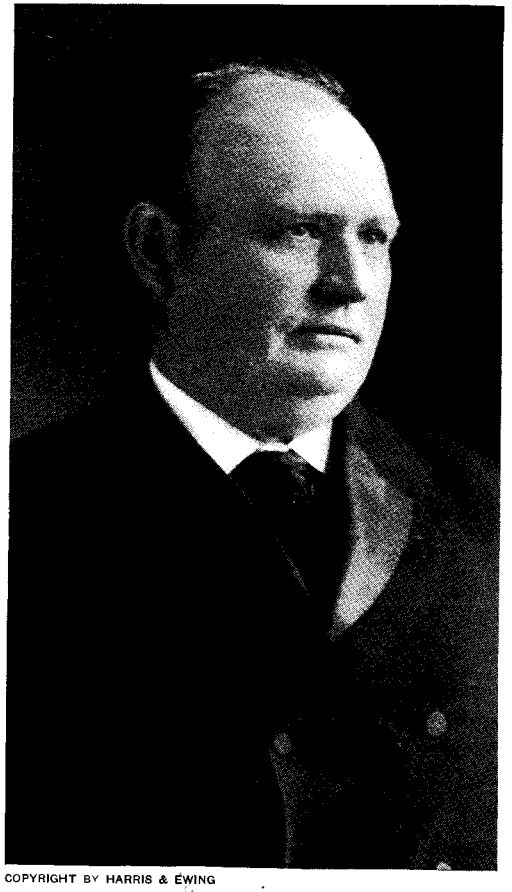
CONGRESSMAN JOHN C. FLOYD
OF ARKANSAS



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CONGRESSMAN HENRY D. CLAYTON
OF ALABAMA
Chairman of the House Judiciary Committee

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CONGRESSMAN CHARLES C. CARLIN
OF VIRGINIA

MEN WHO ARE PREPARING ANTI-TRUST LEGISLATION FOR THE ADMINISTRATION

The sub-committee of the Judiciary Committee of the House of Representatives which has been drafting the proposed laws

See editorial pages

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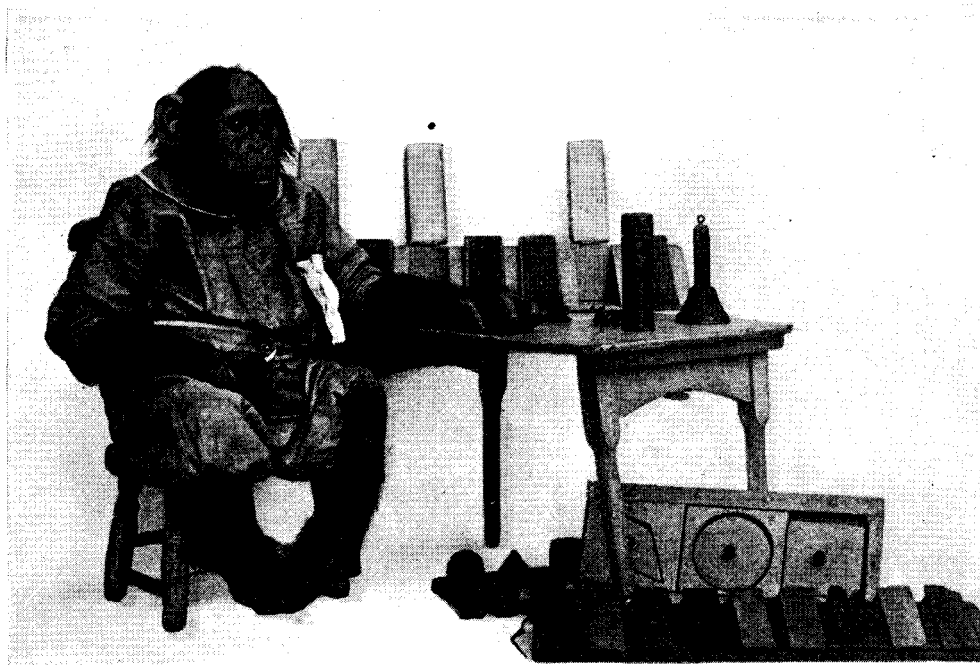
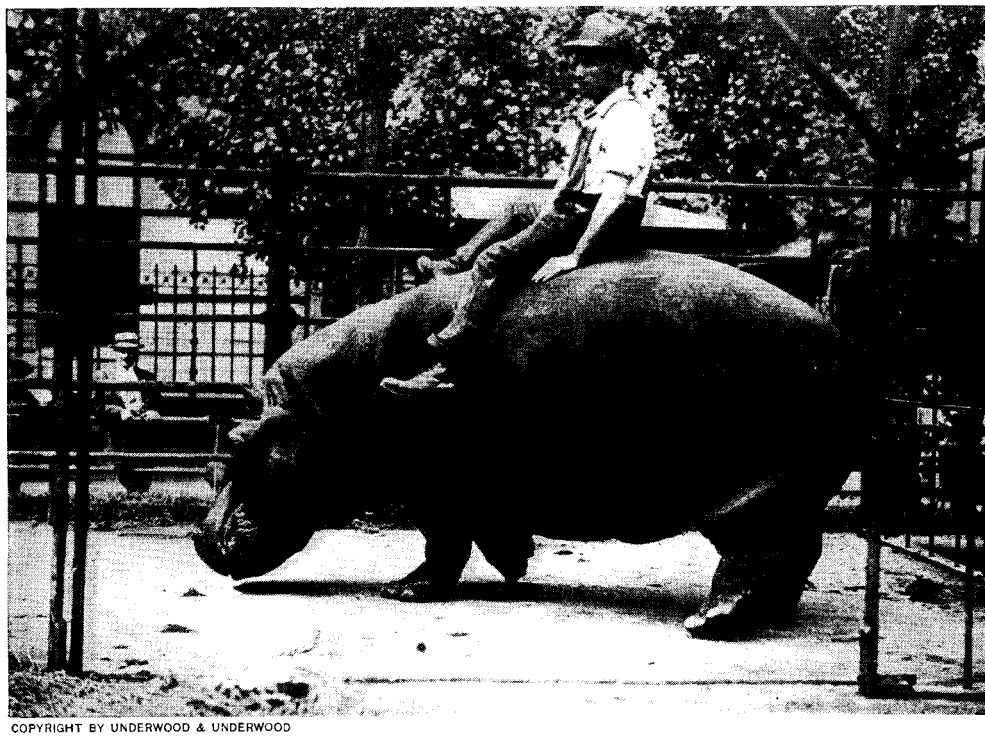


COURTESY OF THE NEW YORK ZOOLOGICAL SOCIETY

"SUSIE" AND HER TOYS

See article describing this exceptionally intelligent chimpanzee, whose recent death is much regretted by investigators of animal psychology as well as by many children



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A PERFORMING HIPPOPOTAMUS AT THE CENTRAL PARK ZOO

This big fellow was born in captivity, which perhaps accounts for his docility. His keeper says that the huge beast is as affectionate as a horse, though not quite so easy in the saddle

TWO REMARKABLE TRAINED ANIMALS

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the Additional Tax is levied, take the case of Mr. Henry Jones, a wealthy manufacturer, who is unmarried. Mr. Jones makes the following return for the ten months of 1913:

GROSS INCOME

Description of income	Income on which tax has been withheld at source	Income on which tax has not been withheld at source
Salary as President of the Jones Manufacturing Co. for ten months	$1,000	$19,000
Rent from factory owned by Jones		15,000
Profits from Jones & Brother, a partnership		25,000
Totals	$1,000	59,000
		1,000
		$60,000
Dividends from stock of Jones Manufacturing Co., subject to like tax		50,000
Gross income		$110,000

GENERAL DEDUCTIONS

Interest on personal note	$500
Interest on mortgages on factories owned by Jones	2,000
Taxes on same factories	5,000
Repairs on same factories	2,000
Allowance for depreciation on factory	5,000
Total general deductions	$14,500
Gross income	$110,000
General deductions	14,500
Net income	$95,500

Dividends subject to like tax	$50,000	
Income taxed at source	1,000	
Specific exemption	2,500	
		$53,500
Income taxable for Normal Tax		$42,000
Normal Tax		$420

The Additional Tax is levied on the net income shown above, without allowing deductions on dividends otherwise taxed or on income already taxed at the source, and without allowing the specific exemption.

JONES'S ADDITIONAL TAX

1 per cent on $30,000 ($20,000 to $50,000)	$300
2 per cent on $25,000 ($50,000 to $75,000)	$500
3 per cent on $20,500 ($75,000 to $95,500)	$615
Additional Tax	$1,415
Normal Tax	420
Total tax paid by Jones	$1,835

A serious defect in "Form 1040" that will lead many taxpayers astray lies in the fact that the specific exemptions are mentioned as $3,000 and $4,000—what they actually will be in 1914 and thereafter; but the fact remains that for the short taxable year of 1913 they are $2,500 and $3,333.33.

Further exasperation will arise from the fact that the oath to which the taxpayer must swear forces him to affirm that the income itemized in the form is a "complete statement of all his gains, profits, and income" for the past year, and inasmuch as no mention is made in the form of United States, State, or municipal bonds, holders of these securities must commit perjury in taking the oath as it is now framed.

Yet another error of omission was made when the form for the filing of the returns of trustees and fiduciaries was drawn up; it consists in the absence of any means by which a minor or other person having a guardian can be subjected to the Additional Tax, although it is the plain intention of the law that he should be so taxed. Thus it happens that a youth under twenty-one will be obliged to pay only the Normal Tax on his first $20,000 of income, even though his entire income last year amounted to $20,000,000.

These are just a few of the mistakes which make it apparent that the men who have interpreted and administered the Income Tax Law have no more succeeded in making the taxpayer's task an easy one than did the men who drew it up.

The penalty to be imposed on a person who willfully refuses or neglects to file his return on or before March 1 is a fine of not less than twenty nor more than a thousand dollars. It is worth while repeating here that if you are uncertain whether your income is taxable or not it is best to be on the safe side and fill out a return.

Doubtless the elapse of a year or two will see the cogs of the machinery for administering the income tax worn smooth enough, but for the first few months the wheels will move ponderously. No man can hope to master every phase of the law and the Treasury Department rulings thereon in less than a month of constant study. Like the old German professor who remarked, after thirty years devoted solely to the study of the dative and ablative cases, that he would much better have "stuck to the dative," the average taxpayer will find it wise to specialize on those aspects of the law that affect him particularly. This will give him plenty of light reading up to March 1.

GREGORY MASON.

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IN SOUTHERN BRAZIL

BY THEODORE ROOSEVELT

THE SIXTH ARTICLE OF THE SOUTH AMERICAN SERIES

I—IN THE RANCH COUNTRY OF PARANÁ

FROM São Paulo southward to the Uruguayan frontier we were on the railway of the Brazil Railway Company, and were treated with more than courteous consideration by Messrs. Farquhar, Taylor, and Pereira, and the other officials connected with it. The railway is another monument to the new spirit, the energy and enterprise of Brazil, and citizens of the United States have been honorably prominent in its development and management. It traverses a country of which again it is hard not to speak in superlatives. Soil, water, and climate are all admirable. Brazil now offers much the same chances for settlement, immigration, and development that were offered by the valley of the Mississippi sixty or seventy years ago.

This does not mean that all people who go there will prosper, or that success will come save at the price of labor and effort, of risk and hardship. If any Americans have forgotten how our own West in the pioneer days appealed to an observer who was friendly but who had not the faintest glimmering of the pioneer spirit, let them read "Martin Chuzzlewit." Dickens represented the numerous men who foolishly hope to enjoy pioneer triumphs and yet escape pioneer risks and hardships and the unlovely and wearing toil which is the essential prerequisite to the triumph; and every one should remember that in a new country, which opens a chance of success to the settler, there always goes with this the chance of heartbreaking failure. Brazil offers remarkable openings for settlers who have the toughness of the born pioneer and for certain business men and engineers who have the mixture of daring enterprise and sound common sense needed by those who push the industrial development of new countries. Both classes have great opportunities, and both need to be perpetually on their guard against the swindlers and the crackbrained enthusiasts who are always sure to turn up in connection with any country of large developmental possibilities. On the frontier, more than anywhere else, a man needs to be able to rely on himself and to remember that on every frontier there are innumerable failures.

After leaving the province of São Paulo we went south through the province of Paraná. We stopped at Morungava to visit the great ranch of the Brazil Land, Cattle, and Packing Company. The head of this company, Murdo Mackenzie, for many years one of the best-known cattlemen in our own Western cow country, was an old friend of mine. During my term as President he was, on the whole, the most influential of the Western cattle-growers. He was a leader of the far-seeing and enlightened element. He was a most powerful supporter of the Government in the fight for the conservation of our natural resources, for the utilization without waste of our forests and pastures, for honest treatment of everybody, and for the shaping of Governmental policy primarily in the interest of the small settler, the home-maker.

We rode first to Mackenzie's home ranch, about a mile from the railway, and then to an outlying set of ranch buildings ten miles off. At the home ranch were Mr. and Mrs. Roberts and their children. The buildings and the food and the whole life were typical of all that was best in the old-time "Far West," in the days when I knew it as a cattle country. Mrs. Roberts gave us a most delicious lunch, including all the fresh milk we could drink; and her husband piloted us over the immense stretches of rolling country, and in every action showed himself the born cattleman, the born and trained stockman. Half of the employees were men from the Western ranches, from Montana, Colorado, Texas, or elsewhere; and they and the stock and the vast, pleasant, open-air country were enough to make any man feel at home who had ever lived in the West. The children round the ranch-house were already speaking fluent Portuguese!

It was a beautiful country, well watered, with good grass and much timber. I was assured by both the men on the ranch and their wives that the climate was better than that of our own Western cattle country, for the heat is not as extreme as during summer in the southern part of our country, and the winters are mild, with only occasional touches

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of frost. Much care has to be shown in dealing with the ticks and certain other insect plagues, but not materially more than in some of our own Southern regions. While we were at the outlying ranch we saw the cattle being dipped in familiar ranch fashion.

Cattle, horses, and hogs all thrive. All the native stock offers material on which to improve. The company is carefully breeding upward, following precisely the same course which in Texas, for instance, has effected a complete substitution of graded beef and dairy cattle for the old longhorns. The native cattle are very distinctly better than the old Texan cattle—the native Mexican cattle. The Durham and Hereford bulls introduced from the States will in a very few years completely change the character of the herds. Good cows are kept in sufficient numbers to insure a constant supply of the breeding bulls. In the same way Berkshire boars are being crossed with the native pigs, and blooded stallions with the native mares. In short, everything is being done exactly as on our advanced and successful ranches at home. The country is still largely vacant, and opportunities for development will be almost limitless for at least another generation.

Aside from the extreme interest of seeing the ranch itself, the twenty-mile ride was most enjoyable. The country was like our own plains near the foothills of the Rockies, except that there was more water and a greater variety of timber. The most striking trees were the occasional peculiar flat-top pines, which grew more common as we went southward, and there were also beautiful casuaria pines through which the wind sang mournfully, and there were many flowers. In one place we saw a small prairie deer, and in galloping we had to keep a lookout for armadillo burrows, just as we keep a lookout for prairie-dog holes in the West. The birds were strange and interesting, some of them with beautiful voices. Out on the plains there were big birds like African bustards, but noisy. I think they were probably screamers. One sparrow sang loudly, even at midday, round the corrals. He was a confiding, pretty little fellow, with head markings somewhat like those of our white-crowned and white-throated sparrows. He sang better than the former, and not as well as the latter.

In the afternoon we resumed our railway journey. At the different picturesque little towns along the railway we were received with the courteous good will so characteristic of the Brazilians, and every leading man whom we met was as interested in the development of the country, as interested in bringing in immigrants and in the chances for investments of foreign and native capital, as if he had been one of our own citizens.

II—AMONG THE BACKWOODS SETTLERS OF BRAZIL

All the next day we passed through a beautiful forest country with many rivers. In the early morning these rivers were affluents of the Paraná. Then we passed into the State of Santa Catalina, and the rivers were part of the Uruguay system. It is only within a couple of years that the railway has been open through this region. Naturally, the latter-day travelers who have visited and written about South America from the tourist's standpoint have gone by sea from Montevideo to Santos and Rio de Janeiro. In consequence they have known nothing, except by rather vague reports, of the extraordinarily rich country which extends from São Paulo to the Uruguay boundary. This is the country which has been opened by the Brazil Railway Company. It is part of the last great stretch of land in the temperate zone with a fertile soil and good climate which is open to settlement by men of the white race—for this is what temperate South America is.

Portions of temperate Brazil are open prairie, portions are forest. The climate is never very hot, nor is there ever severe cold. The colonists with whom I conversed had not found the insects specially troublesome; not much more, and in places rather less, troublesome than in Louisiana and Texas. The general effect in the forest country, while of course the species of plants are entirely different, reminds the observer of the Louisiana and Mississippi cane-brake lands and the country along the Nueces. The activities of the settlers in the open country are substantially those with which I was familiar thirty years ago in the cattle country of the West. In the forests one is reminded more of early days on the Ohio, the Yazoo, and the Red River of the South. Certainly this is a country with a wonderful future. It offers fine opportunities for settlers who desire with the labor of their own hands to make homes for themselves and their children, and there are good openings for business men of the right type.

Now, to say this of a new country does

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not mean that any one can be guaranteed success. Men who are not prepared for labor and effort, persistence and self-denial, are out of place in a new country; and foolish people who will probably fail anywhere are more certain to fail badly in a new country than anywhere else. During the whole period of the marvelous growth of the United States there has been a constant and uninterrupted stream of failure going side by side with the larger stream of success. Unless there is a revolution of some kind, which I do not believe will occur, the future holds for southern Brazil much what half a century ago the future held for large portions of our country lying west of the Mississippi.

This day the landscape was very beautiful. The most conspicuous tree in the forest was the flat-topped pine, the shaft of which rose like that of a royal palm, and the branches spread out at the top just where the palm leaves spread out on the palm, only instead of drooping they curved upward like the branches of a candelabra. There were many other trees in the forests which I could not recognize or place. Some of them looked like our Southern live-oaks. Then there were palms, and multitudes of big tree-ferns. In places where these tree-ferns grew thickly among the tall strange candelabra pines, with palms scattered here and there and other queer ancient tropical plants, the landscape looked as if it had come out of the carboniferous period—or at least as the carboniferous period was represented as looking in the more attractive geologies of my youth.

There were also flowers of brilliant and varied hue. We saw but few orchids, but in the spots of open prairie there were immense patches of lilac and blue blossoms, and the flowering trees were wonderful. Many of them were purple, others yellow. The most beautiful of all the flowering trees flamed brilliant scarlet, and in places where many of them were scattered through the woods they made splashes of burning red against the rich green of the hillsides, as we looked at them while the train ran along the brink of some rushing river.

From time to time we stopped at towns, sometimes fairly old but very prosperous towns, and at other places new settlements of Poles, or Germans, or Italians. At three of these I got off and visited them, in one case riding half a dozen miles so as to see the farms. The director of one colony was Frenchman, of another a Pole. The Poles proper, the Italians, and many of the Germans were Catholics. There were Ruthenians and Lithuanians who belonged to the Orthodox Greek Church, and some of them were Uniate Catholics, with married priests. Some of the Germans were Lutherans. I met a very pleasant little Lutheran minister who had come specially to the station to meet me, for he had long dwelt in the United States. As I have before explained, there is real religious freedom and toleration in Brazil. I met a number of native Brazilians who were Protestants, belonging to congregations which had been started by American missionaries. I was interested at being told by one Catholic gentleman of the country, a very able man standing high in the Government, that he believed that the presence of the few Protestant congregations had been a positive benefit to the Catholic Church, and had helped him and other zealous Catholics to put the Church on its mettle as an agent for social well-being and progress.

Most of the colonists whom, as it happened, I saw this day, and whose houses I visited, were Poles. They were doing well. Their houses were clean and comfortable, and they were working hard, just as old-time American pioneers worked. They cleared the forests by burning, just as our own people used to do. It made me rather sad to see the great trees destroyed, but it was necessary in order that the farms might be established. Wheat and rye, corn and peas, were among the crops the settlers were raising, and they had cattle and swine. In this province I met for the first time Germans born in the country who could speak only German. These came from isolated German colonies. The descendants of the Germans where the colonists were at all intermixed for the most part spoke Portuguese as their native tongue.

The Germans born in the country are fine-looking, healthy men, just as healthy as in the north temperate zone. I was told by the colonists that they had not suffered from sickness save in a few cases; no more, I should gather, than our own colonists in the early days on the Western river boundaries. They told me that there were occasional sharp frosts, but that the low temperature never lasted for more than an hour or so. I expressed some surprise at this in view of the tropical character of the vegetation, and asked how the frost affected such plants as palms and the tree-ferns. They explained

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to me that the frosts prevented coffee being grown, but that they had no effect on the palms, and, rather curiously, no effect on the tree-ferns if they were under big forest trees, but that if they were in the open the fronds were killed, the trees themselves not being injured, and new fronds taking the place of the old ones.

A succeeding article in Mr. Roosevelt's series will take the reader into southernmost Brazil

A CHIMPANZEE'S VOCABULARY

BY GEORGE GLADDEN

A few days ago Mr. Gladden, who writes from personal knowledge, for he is assisting Mr. Hornaday of the New York Zoölogical Park in wild life protection work, sent us a note which we here print as preface:

*"When I prepared this article a few weeks ago Susie was in her usual health, and I little thought that what I had written might serve as a sort of obituary of her. Such is the melancholy fact, however, for on the 22d of January this singularly interesting and amiable little ape died of tuberculosis, an epidemic of which developed suddenly among the anthropoids at the Zoölogical Park toward the end of December. Susie was the fifth of the apes to go, the famous chimpanzee Baldy and three of the five orangs having already succumbed. She will be sincerely mourned by thousands of children whom she had amused, and by a great many grown-ups who had become much attached to her because of her childlike friendliness to those whom she recognized as her friends.—G. G."—*THE EDITORS.

A GREAT deal has been published in both magazines and newspapers during the past few years about the so-called "language" of animals, especially apes and monkeys, the term being somewhat loosely used to denote articulate speech. The ideas of Mr. Richard L. Garner on this subject have received probably the most attention, as a result of his recent attempts to get at the "language" of the anthropoid apes by living among them in a steel cage in their native jungles, and endeavoring to record their various cries by means of a phonograph.

The unusualness of this undertaking at once attracted the attention of the newspapers. Every actual and many purely imaginary phases of the scheme were written about at great length, and generally by reporters who were much more anxious to produce a "good story" than to present the subject in any of its scientific aspects. In consequence there was given the widest publicity to an immense amount of the veriest nonsense, from which the average person who depends entirely upon his newspaper for his information is likely to have formed an entirely false conception of this very interesting matter.

Mr. Garner himself has found it necessary, I notice, to modify some of his earlier ideas about the "language" of monkeys, and, as a matter of fact, I believe that few of his conclusions have been accepted by responsible naturalists or other systematic and scientific investigators of the general subject of animal psychology. I cannot claim the right to be included in either of these classes; but a real interest in natural history has caused me to improve, as best I could, many opportunities to study closely any manifestation of animal intelligence that I have observed.

My own observations, then, have been entirely in accordance with those of most of these investigators. I can find no proof that any of the animals below man have what may be correctly called a "language"—that is, any power of intentional and articulate speech. Many of the mammals and birds have certain cries (often accompanied by characteristic movements), by means of which they express various *emotions*, such as fear, anger, joy, sorrow, love, curiosity, and so on. And now and again an animal may convey vocally a concrete idea. For example, Mr. John Burroughs says that a certain tone in his dog's bark means that he has found a snake; and I myself have noted a peculiar alarm call of the robin which, in every one of the many instances I

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have investigated, has meant a cat. Again, if you imitate the cry of a red-shouldered or red-tailed hawk within the hearing of a rooster, he will sound a certain characteristic alarm note, from which apparently the hens get the definite idea of a hawk. Such sounds as these, I believe, are the nearest approximation to speech that the animals are capable of using.

"Be not startled," says Dr. William T. Hornaday, "by the 'discovery' that apes and monkeys have 'language;' for their vocabulary is not half so varied and extensive as that of the barnyard fowls, whose language some of us know very well." [1]

On the other hand, we have definite proof of the capacity of certain animals for grasping the meaning of spoken words, and of associating such words with the objects which they denote. This is the subject to which I wish especially to invite the reader's attention in the present article.

Every observant person who has had much to do with dogs or horses must have remarked their evident comprehension of the meaning of many spoken words. This kind of mental capacity is especially noticeable in the well-trained hunting dog. The maximum vocabulary of the most intelligent horse is, I should say, less than that of the most intelligent bird dog; perhaps, however, because the horse is rarely, if ever, called upon to perform so complicated an operation as is involved in the hunting of game birds, like the quail, the ruffed grouse, or the woodcock. But, so far as I am aware, the horse is the only animal which has an intelligent comprehension of musical pitch. This comprehension is shown by many cavalry horses which obey promptly, and without any suggestion from their riders, the bugle calls for cavalry evolutions, the meaning of many of which is conveyed by combinations of four notes of different pitch.

It seems probable, however, that the anthropoid apes, and especially the chimpanzees and the orang-utans, have greater capacity for acquiring this kind of subjective vocabulary than is possessed by any of the other animals. This is a matter which I have been enabled during the past year to study with some care, thanks to the opportunities I have had to become acquainted with all of the remarkable group of nine anthropoids (four chimpanzees and five orangs) which are included in the great collection of the New York Zoölogical Park.

[1] "American Natural History," Introduction, p. xxiv.

To revert for a moment to the subject of the "language" of apes and monkeys, it has struck me as perhaps significant, or, at any rate, interesting, that by far the most *loquacious* of all the inmates of the Primates' House in the Zoölogical Park should be the lemurs, which are admittedly the least intelligent members of the order, whereas the most sagacious, the chimpanzees and the orang-utans, are the most *taciturn*. In fact, the lemurs make more noise than all of the other monkeys and apes combined. They are almost incessantly squealing, squeaking, chattering, or grunting. The orangs, on the other hand, very seldom make any kind of vocal demonstration, and the same is true of the chimpanzees, except when they shriek in rage or impatience, or roar in welcome or defiance. Perhaps before they took ship for this foreign shore some wise Polonius said to each of them: "Give thy thoughts no tongue. . . . Give every man thine ear, but few thy voice."

The most intelligent ape in the Zoölogical Park group, and beyond a doubt one of the most sagacious simians of which we have any reliable records, is Susie, the little three-year-old chimpanzee. Susie was obtained by Mr. Garner in the Fernan Vas district of the French Congo region, about one hundred and twenty-five miles inland from Cape Lopez. Her scientific name is *Anthropopithecus calvus*, and in her own country the natives call her *kulu kamba*, "kulu" being their onomatope for the ape's characteristic cry, and "kamba" their word for "talk" or "speech."

Mr. Garner studied Susie for several months before he disposed of her (when she was about eight months old) to the New York Zoölogical Society; and he recorded his belief that she spoke "in her own language" five words—"yes," "no," "want," "protest," and "satisfaction" or "contempt." Mr. Ferdinand Engeholm, who has had charge of the Primates' House in the Zoölogical Park for four years, tells me, however, that he has never been able to satisfy himself that either Susie or any other of the apes or monkeys ever makes deliberate use of any identifiable sound to express a concrete idea.

It may be explained in this connection that Mr. Engeholm's methods of studying his apes are exceedingly practical. The three chimpanzees Susie, Dick (who is about Susie's age), and Baldy (who is seven years

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old and recently has become ugly and unruly) he has taught to do many amusing and interesting feats (one of Susie's is shown in the photograph on another page) which reveal their natural intelligence; and this experience has, of course, given him a pretty correct estimate of their mental capacity. But this familiarity he has made even more definite by much personal and friendly companionship with his apes. Many an evening, after the Primates' House is closed to the public, finds him sitting on the floor in the keepers' dressing-room playing with one or more of the chimpanzees or orangs, or permitting them to play with each other, while he looks on, talking and laughing, but *observing*. I think it will be admitted that the conclusions of an intelligent and truthful man (which Mr. Engeholm certainly is) about animals with whom he establishes these close and friendly relations are entitled to some consideration.

Now, although Mr. Engeholm has not been able to discover that his apes use any *language*, correctly speaking, he is confident that the chimpanzees Susie, Dick, and Baldy comprehend the definite meaning of many words, and that their minds react promptly when these words are addressed to them in the form of commands. This capacity is more highly developed in Susie than in any other of the apes in this particular group, for the reason that, since she is more tractable, as well as probably more intelligent than the others, Mr. Engeholm has taken special pains with her.

It is difficult, of course, to determine from the *commands* which an animal will obey precisely how many *words* employed in those commands are plainly understood; but I have endeavored to do this tentatively in the case of Mr. Engeholm's commands to Susie, all of which I have seen her obey repeatedly and promptly. In drawing up this table (printed at the top of the next column), I have eliminated, by means of parentheses, words without which the sense of the command can be conveyed.

I do not mean to say that Susie will obey promptly and accurately any one of these forty-three commands at any time. Occasionally she forgets the meaning of the words; but I believe I have heard of human beings who have been known to do that. It is a fact, however, that she has been taught the meaning of all of these commands (and, I am sure, of several more which I do not now recollect), and that with very little reminding she recalls what she has forgotten.

Commands.	Words.
Stand (up)	1
Sit (down)	1
Cross (your) legs	2
Fold (your) arms	2
Throw (a) kiss	2
Shake (a) by-by	2
Take (my) hat	2
Put it on your head	5
Put it back	3
Dress	1
Undress	1
Hand me (the) keys	3
Bring (it) here	2
Telephone	1
Ring off	2
Write [*i. e.*, to scribble with chalk or pencil]	1
Wash (your) hands	2
Dry (your) hands	2
Comb (your) hair	2
Powder (your) face	2
Turn on (the) light	3
Turn (it) off	2
Turn on (the) water	3
Shut (it) off	2
Go (up) there [*i. e.*, to top of cage]	2
Jump	1
String (your) beads	2
Diamond, square, or circle	3
Ring (your) bell	2
Wipe (your) nose	2
Light (a) match [from a box of safety matches]	2
Untie (my) shoes	2
Open (the) glove	2
Take (it) off [*i. e.*, the glove]	2
Put (it) on	2
Give me (a) bite [from her banana]	3
Drink	1
Whip Dick	2
Spank dolly	2
Kiss dolly	1
More [*i. e.*, repeat an act]	1
Forty-three commands	81 words

Certain students of animal psychology have contended that an ape or a dog or a horse gets more of the meaning of a command from the gesture which accompanies it than from the words in which it is expressed. As to this, I can testify that of the forty-three commands above enumerated, thirty-six may be, and generally are unaccompanied by any gesture whatever. How, then, does Susie comprehend those commands unless through her understanding of the meaning of the words in which they are conveyed? I do not wish to commit myself positively to a precise estimate of the number of words of which she does indubitably understand the meaning; indeed, I know of no way in which this could

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be scientifically and finally established. The list I have given above is intended more as a clue to the probable extent of her present vocabulary than as positive proof on that point. But even in this light the exhibit strikes me as evidence of remarkable intelligence.

It has also been pointed out that trained apes will not obey commands given by any person except the trainer. This seems to me a captious and unintelligent criticism. A child which is accustomed to obey its parents, or other relatives or friends whom it knows well, will pay little attention to the commands or requests of a stranger. A dog or a horse acts in the same way with strangers. Why, then, is it not natural, in fact inevitable, that an ape should obey its keeper, whom it recognizes as its master, and refuse to respond to another person whom it does not recognize in that capacity? Susie, Dick, Baldy, and several other of the apes, baboons, and monkeys show clearly by their actions that they recognize me, and their attitude toward me is generally friendly; but, except in respect of a few simple commands, they will not obey me. For they do not know me as their master, which I have never tried to be, but as their friend—which I am glad to be.

UNFAIR COMPETITION[1]

BY HARRY D. NIMS

"Fairness in business dealing is one of the essential conditions of an *enduring* prosperity."
—*Message of Federal Council of October 31, 1879.*

THE term "unfair competition" is little used except in America, and it has not been used here to any extent except during the last thirty years or so. The courts were the first to use it, but recently it has become a popular term, seen daily in the newspapers and heard frequently in conversation.

The use of the term by the courts came about in this way. It was not until well into the nineteenth century that the courts and the business community first came to recognize that trade-marks and trade insignia constituted property which was entitled to protection by law. As soon as this fact was appreciated statutes were passed giving protection to such trade-marks as should be registered with the Government. But hardly was the ink dry on these statutes before men began to realize that some of the most valuable property rights of this character were not registerable, and consequently would not be protected by this law. Seeing the injustice that was thus being done, our courts of equity, without act of Congress or Legislature, began to protect the owners of these non-registerable trade names and insignia from unscrupulous competitors who attempted to imitate them. This they did at first, as they termed it, "on principles analogous to those of trade-marks," and the cases in which such relief was given came to be known as "unfair competition cases," and the doctrine on which the court rested its rulings in such cases was called the "doctrine of unfair competition." The number of cases of this kind has rapidly increased, and to-day courts and lawyers have come to realize that, instead of unfair competition being a part of the law of trade-marks, the misuse of trade-marks is but one phase of the greater subject of unfair competition.

While the courts have used this term for a long time, up to within two or three years its popular use has been very limited. At the present time it is probably safe to say that not a day passes in which scores of newspapers the country over do not use the expression "unfair competition" as a name for all sorts of questionable forms of business competition.

This spontaneous growth in our equity courts of these rules of law is one of the most important legal developments of the present time. Our courts are divided, roughly speaking, into equity courts and law courts. All cases are tried in law courts except those in which, generally speaking, the enforcement of the strict rules of law will work, not justice, but injustice, or where the relief which the law courts can give will not be adequate to right the wrong involved. There is a maxim that

[1] See editorial on this subject in this issue.

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equity will not suffer a wrong to be without a remedy, which shows the spirit of this court, as contrasted with a law court, in which a man must suffer the penalty the law prescribes for the act he has committed, regardless as to whether such penalty be just or unjust in his particular case.

The equity court alone enjoys the right to issue injunctions, a power which some labor agitators have sought to lessen. It is this very power to issue injunctions which renders this court the only practical tribunal to deal with business abuses, for quick relief is absolutely essential to any real protection of commercial property.

"Unfair competition," then, is not only a popular name for all sorts of questionable acts done in competition, but is the name of a group of legal rules, or rulings, which have been made by courts of equity, in which they have recognized various business customs and usages as honorable and proper, and condemned others as unfair and improper. These rulings are definite, and not difficult of interpretation to any one who is honestly attempting to run his business fairly. Furthermore, they are just as vitally a part of our law as any statute, and are much more useful, because they are far more elastic and adaptable to the changing conditions that exist as time goes on than any except possibly the most general legislation can be. The crystallization of these customs into rules of law is a splendid example of the latent power of the common law to create, unaided, new rules to meet new business conditions as they arise. For this reason it should be the subject of careful investigation and thought as to how far it is wise, by legislation, to guide or to turn aside the development of this body of law from the course it would naturally take if left to itself, influenced only by the economic tendencies of the present and future.

On the Continent an important distinction is made which is not generally recognized here or in England. There the rules which have grown up regulating competition are not intended or used for the relief of the public, but are confined as closely as may be to the giving of relief to competitors. A rough translation of the words of a German writer in this connection is as follows: "French and German construction of unfair competition coincide in not primarily emphasizing the protection of the consumer, but of the competitors. Consumers, too, can and will be injured by acts of unfair competition, but their protection lies somewhere else. It is important for the principles and the legal definitions involved, as well as the practical use of the term 'unfair competition,' to separate thoroughly the protection of the consumer from the protection of the competitor, as it has been done in France and Germany." The primary purpose of unfair competition laws is to give every competitor a fair chance, to define what methods may be used in business, in fairness to others who are engaged in that same business.

We Americans, despite our love of fair play and of the amateur spirit in sport, are by no means the first of the great nations to give serious consideration to the question of discovering the best systematic way of so regulating competition that every man shall have a fair and honest chance to win—that the business game shall be one in which fair play, and not cutthroat methods, govern.

In France as long ago as 1858 the question was under discussion, and a book was written under the title "La Concurrence Déloyale"—dishonest or unfair competition—which has become the French term corresponding to our "unfair competition." Since that time the French courts have developed a most complete system of rules on this subject. These decisions are based on a law passed in 1791 that abolished special privileges and proclaimed freedom of commerce and industry, and on the following provisions which Napoleon caused to be inserted in his famous Code Civile, viz.: "Every act whatever of an individual which causes injury to another obliges the one owing to whom the same has occurred to make it good," and "Every one is responsible for the injury which he has caused, not only owing to his own act, but owing to his negligence or his imprudence." On this foundation France has built up its present system of dealing with the question: freedom of trade has been entirely preserved, and to this day can be curbed or limited only in the interest of good morals, custom, public order, or by agreement freely entered into. Practically all rules intended for the regulation of competition are to be found in decisions of the courts, which, as one writer terms them, are in France "guardians of honorable business."

A German writer says of this French system that the two general rules of law quoted above have been "developed into a satisfactory protection from the machinations of unfair competitors by the judges of the courts,

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with remarkable knowledge of the interests and needs of commerce and trade." France now possesses what seems to be the most scientific and complete system of legal protection of competitors that is to be found anywhere. The acts that are there held to be unfair may be grouped thus: (1) acts tending to create a wrong opinion of one's business or merchandise, resulting in confusion of one concern with another; (2) unfair acts resulting in confusion of products; (3) unfair acts which alienate another's customers, but do not deceive; (4) unfair acts which, due to a violation of a contract, injure a competitor. The French define *la concurrence déloyale* as "an act done in bad faith for the purpose of producing confusion between the goods of two manufacturers or two merchants, or where, without producing confusion, it throws discredit on a competitor's establishment." In America we do not as yet forbid unfair acts which discredit a competitor, but as soon as possible our courts should be empowered to do this, if in the meantime they do not, of their own motion, extend their jurisdiction to acts of this character.

In Germany a council of experts was assembled more than twenty years ago to discuss and recommend legislation to suppress unfair methods in competition—*unlauterer Wettbewerb*. The German shopkeepers and small traders appear to have been the first class of people in that country to demand protection from the Government against unfair competition. Largely as a result of this agitation, a national law against unfair competition was passed in 1896. This law did not meet the need, and in 1909 the present law was passed. This law begins with the statement that "every person who, with the purpose of competition, commits any act or business dealing *contrary to good morals* shall be enjoined, and can be sued for damages;" and it is said that in the enforcement, not of its specific provisions, but of this blanket declaration for honest commercial conditions, this statute has been most effective and useful. The act specifies definitely various practices which it declares illegal, such as issuing false advertisements, particularly as to how goods on sale are made, where they come from, and as to their price and the like. Sales of stock of bankrupts, or persons closing out their business for any one of many defined reasons, are strictly regulated. For instance, one who advertises a "sale"—a liquidation—must, if requested, file with a public officer a full list of all the articles to be thus sold, and no new goods may be added to the stock which is being liquidated. The act also covers what in America we call "private graft." It is criminal in character, and those who violate it may be imprisoned or fined, or both.

In addition to this law there exists in Germany a section of the German Civil Code which reads thus: "One who designedly injures another in a manner violating good morals is bound to indemnify the other for the injury." This is an important help in actions of this sort, when there is any doubt as to whether the particular acts in question violate the Unfair Competition Law itself.

The effects of such laws as these can hardly be appreciated on first thought. In the enforcement of them in Germany the advertising of the following phrases (most of which, by the way, are in almost daily use in this country) has been held to be a violation of its terms in instances where their use has been shown to be not in accord with the truth: "*Only one price*," where various prices were used; "*prices never heard of before*," when the same prices were used in other stores; "*manufacturing prices*," when the price at which the retailer sold was not the actual price at which the manufacturer himself sold the goods; "*at cost*," when the price was not the actual sum paid for the goods, regardless of profit, overhead expense, interest, or anything of the sort; "*purchase price*," when the seller failed to deduct a rebate which the manufacturer had given him—it was held that this term must represent the actual cost of the goods; "*at reduced prices*," when the price had been first raised so that it could be reduced and then include a profit.

In June of this year an act became law in Denmark which is more drastic than the German law. It includes most of the provisions of the German law. It forbids use of false labels, forbids more than two seasonal sales each year, and limits each to a month; *also it forbids the sale of trade-marked goods at a cut price so long as they remain in the wrappers in which they are placed by the maker or producer of them.*

The law of Belgium as to unfair competition is said to be very complete, and to follow closely the methods used in France, and the decisions of the French courts are used by the Belgian courts as precedents.

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The term "unfair competition" is practically unknown in England. The law of "passing off," as the rules of the English equity courts relating to protection of good will, trade-marks, trade names, and the like are termed, gives full protection to all trade-marks and devices for identifying merchandise. It forbids substitution of one article for another. From its very name it will be seen that this law is not intended to cover various acts which are prohibited by the German laws, as, for instance, the use of false statements about a competitor. Nor does it seem to cover the acts which are the basis of the action on *concurrence déloyale* in France. In England these acts, which on the Continent are regarded as unfair competition, are illegal, if at all, because they are misleading to such an extent as to bring them within the definition of the action of deceit. There appears to be no English statute regulating acts done in competition. An English court recently summed up the situation there in this way: "To draw a line between fair and unfair competition, between what is reasonable and unreasonable, passes the power of the courts. Competition exists where two or more persons seek to possess or enjoy the same thing; it follows that the success of one must be the failure of another, and no principle of law enables us to interfere with or to moderate that success or that failure, so long as it is due to mere competition."

Up to very recently we here in America have confined our regulation of unfair competition to cases where the fraud charged had the ultimate effect of causing some one to buy one brand of goods with the idea that he was getting quite another. If this confusion was not proved, or was not the probable effect of the defendant's acts, our courts have felt that they should not act. Under this limited conception of unfair competition, as compared with that of France and Germany, the equity courts have developed a system of laws protecting trade, the extent of which is little realized by the public generally. For instance, not long ago a maker of automobile lamps, who had built up a very prosperous business, found that a competitor had begun to make a lamp so nearly like his own that it was difficult to tell the two makes apart. The first manufacturer's lamp was not patented. He appealed to equity, and showed the court the injury that the confusion of his competitor's lamp with his was causing, and proved that the features of his lamp by which people picked it out were merely ornamental and not at all necessary to the making of a good lamp. The court promptly forbade the competitor to continue to make lamps that could thus be confused with the better-known brand, because it was an unfair way to compete.

This is but one of hundreds of cases that have been decided, in which rulings of equity have been made as to the squareness of business practices. A few months ago the United States Circuit Court of Appeals ordered a concern guilty of imitating the method used by a rival in marking shoes to pay about $445,000 as damages for injury it had caused.

Recently the rules against unfair competition have been extended to cases in which, in order to obtain business or to cripple a rival, men have caused some third person having a contract with a competitor to break the contract, thus enabling them to obtain for themselves the rights or profits the competitor was enjoying.

A case of this sort was brought in Massachusetts some years ago by a tourist agent who had obtained the exclusive right to represent in New England the only hotel in the Jamestown Exposition grounds. A competitor of this agent went to the hotel company and made statements about the business facilities of this agent which induced the hotel to break its contract with him and give a similar contract to the competitor. The Massachusetts courts refused to permit this sort of competition and protected the first agent in his exclusive contract.

Nor is this all. Our courts now enjoin practically every device by which one man brings about, or tries to bring about, the sale of his wares as those of somebody else, and these schemes have been many and various, for the fraudulent schemer in business is a most ingenious person. And all this has been done, be it remembered, in about twenty-five years, by the courts unaided by legislation of any sort. Indeed, it may be seriously doubted if this progress could have been made had the persons against whom these suits have been brought had the benefit of some specific law forbidding acts of this sort, from which they could perhaps have distinguished their own acts by legal technicalities.

The attempts here in America to regulate unfair competition have not been confined to the Federal courts; much has been done by

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State equity courts, and the State Legislatures have passed laws for the suppression of fraudulent advertising, and many cities have passed ordinances of this character. Again, many of the States have passed stringent laws regulating bankrupt sales and liquidations, and the use of pools or agreements to restrain trade, and forbidding manufacturers and producers to create unfair, oppressive conditions by selling goods in one part of the State at one price, and in another part at another price, expense of transportation being duly considered.

As said above, thus far our Federal courts have limited their regulation of unfair competition almost entirely to acts which result in the confusion of one man's goods with those of another. The demand now is for some legal relief against unfair practices of other sorts, such as, for instance, the methods said to have been used by the National Cash Register Company some years ago. It is argued that some definite means of preventing these other unfair acts must be provided, and it is no doubt with the purpose of meeting this demand that a bill has been introduced into Congress recently to "prevent unfair and oppressive competition" (H. R. 9300).

This bill is accompanied by another bill creating an Inter-State Trade Commission. The Unfair Competition Bill provides, in brief, that this Inter-State Commission is "empowered and directed" to prevent unfair or oppressive competition, which is defined to include the following practices: (*a*) the procuring of preferential rates from common carriers; (*b*) the procuring of rates declared unlawful by the Federal Act of 1903 (relating to freight tariffs, etc.); (*c*) the use of discrimination in selling prices between localities or individuals which is not justified by differences in the cost of distribution; (*d*) procuring information as to trade secrets of a competitor by bribery or other illegal means, or causing a competitor's employees to do acts inconsistent with their duty to their employers; (*e*) the making of oppressive exclusive contracts for the sale of an article on which the seller has a substantial monopoly; (*f*) the use of secret subsidies or secretly controlled agencies, held out as independent competitors; (*g*) the destruction of competition by interlocking directorates; (*h*) any business acts involving unfair or oppressive competition. There is no general definition of unfair competition to be found in the bill.

As this will be the first Federal law to be passed relating to unfair competition, it is of course most important that the system it sets in motion should be the best that can be devised. As we have seen above, so far as rules regulating unfair competition have been formulated by the United States, the work has been done almost entirely by the equity courts, unaided by statute. These bills give to the Commission full power to define "the practices and business transactions of unfair and oppressive competition," which, inasmuch as unfair competition as we now define it is limited largely to acts producing confusion, the court already has ample power to do. This provision raises the very important question as to whether it is desirable to begin Federal legislation of this character without basing it on a simple general law to the effect that all acts in inter-State commerce which are against honorable business dealing are in restraint of trade, as constituting unfair competition. Definitions of specific acts which are fraudulent in character are always dangerous. It has been a rule of equity courts for generations that fraud should never be defined, because the moment it was defined some one would find a way to obtain the desired fraudulent end by some means not included in the definition. On this question, as to the respective merits of general provisions of law as compared with detailed definitions, much might be said. The first German law of unfair competition did not include a general clause of the character mentioned above. The new law, which was passed about ten years later, was made to include such a general clause, prohibiting all acts against good morals, and it has been found in the enforcement of the new act that by far the most effective part of it has been, not the various prohibitions of specific acts which the law includes, but this general clause prohibiting acts against good morals. Furthermore, the French system, which is said to be the most successful of all, employs very few specific definitions of acts that are unfair. This problem is illustrated by this very bill now before Congress, which includes a provision declaring that the obtaining of trade secrets by illegal means is a form of unfair competition, although this very thing has been enjoined many times by equity courts as an illegal act. In view of these cases, would anything be gained now by passing a statute as to trade secrets? Would not such a statute be more helpful to the dishonest com-

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petitor, by giving him a basis for legal quibbles, than it would be to the honest man?

The scheme of this particular bill seems to be to take from the courts of equity all cases of unfair competition, and to turn them over to a commission which is not bound, as a court would be, by the prior decisions on this subject. There is considerable reason to believe that such a move at this time, instead of bringing about quietly the few changes that are necessary in this connection to a better enforcement of commercial laws, would entail serious confusion, and make men more uncertain than ever as to what it is possible for them legally to do. It is no light matter to make so radical a change as this.

It is true that there are various difficulties in the way of a more complete control of the situation by equity courts. One of these is the fact that many of these courts already are working to their full capacity, a difficulty which might be solved by the appointment of more judges. Another difficulty is found in the doubts which exist in the minds of many of the judges as to whether the court now has authority to extend the general doctrine of unfair competition so as to include cases in which the act of passing off, or confusion of goods, is not present. The passage of a short act of the character specified above would undoubtedly entirely do away with this hesitation on the part of the judges, for they would then feel free to pass upon all cases brought before them which involved acts in inter-State commerce which are against honorable dealing.

The average person is apt to think that questions of this character are important only to lawyers and Congressmen, and, while they may indirectly concern the public, are questions upon which it is a waste of time for the average man to form an opinion. That is far from the truth, for there is almost no business man who is not liable at any time to be obliged to meet conditions which will force him to look to the doctrines of unfair competition for protection. It is only recently that business men have awakened to the value of good will. Almost the entire value back of many issues of stock is good will. Magazine properties and other business concerns are sold almost daily for large sums of money, and all that is actually transferred is a name, a little office furniture, and a list of subscribers or customers. The buyer in such a transaction pays his money for practically nothing but the friendliness of the public to that particular concern. This good will, like many things of great value, is always being coveted, and is easily destroyed or stolen, in part at least, and the enforcement of the rules of unfair competition afford practically the only means of protecting it.

Furthermore, every business man is vitally interested in preserving public confidence in the reliability and good faith of merchants. In almost every community of any size can be found concerns that advertise "Pure Wool," "Pure Linen," "Wholesale Prices," "Reduced Prices," or "Direct from the Manufacturer," and similar slogans, and many people believe that they would have considerable difficulty in proving the strict accuracy of these statements as applied to the goods they sell if they were called upon to do so. Of course it is possible that all of these statements, whenever used, are literally true. At present, however, there is no sure way of any one's finding out their truth or falsity. For this reason doubts exist in most people's minds as to the good faith and reliability of the concerns that make them. That doubt, that lack of confidence, hurts the business, not of one, but of all. He who makes these statements in good faith should be entitled to the benefit that comes from his ability to offer such opportunities to the public. For the good of all, he should be given every legal facility to expose all who make such claims falsely; and the tribunal to which this task is given must not be bound by any law specifically defining various unfair acts upon which it may pass.

The questions raised by this bill involve a consideration of one of the principal causes of the non-enforcement of our commercial laws, for it is a fact that there are many such laws on our books to-day, passed by the devoted and persistent efforts of public-spirited people, that are almost never enforced, and often their very existence is quite forgotten. In 1902 Massachusetts passed a very good law prohibiting advertising "which is false or calculated to mislead." In 1904 New York passed a similar law. In 1911 a search was made to discover what use had been made of these laws, with the result that, so far as could be learned, there had been one rather unimportant case decided under the New York law, and no case under the Massachusetts law. The difficulty was not with the law, but with our system of enforcing criminal laws of this sort, under

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which the district attorney must start and prosecute all such actions. A district attorney in a city is usually so overloaded with work of far greater moment and urgency than the enforcement of these commercial laws that he has little time to devote to them. In Germany this difficulty is overcome by giving to any person a right to start and prosecute a private criminal action for the violation of laws of this sort. The public prosecutor may join in the case if he wishes, but the individual may push it on to a decision on his own initiative.

The question, therefore, may be fairly raised whether, if there is to be a consideration of the better enforcement of commercial fair dealing, there should not be some way devised by which those primarily interested in enforcing commercial quasi-criminal laws—viz., the persons who are financially injured—should be given an opportunity to assume the burden of prosecuting actions for their enforcement. If any such plan be inaugurated, however, it must be accompanied by such changes in legal procedure as will reduce the present delay and expense of litigation, which are now severely criticised, and justly so. Statutes are of little value in the absence of a quick, simple, and reasonably cheap method of enforcing them.

The above suggests the importance of giving careful consideration in the framing of this legislation, not to defining what is or is not unfair in business, but to the drafting of a short, simple law declaring that all acts done in inter-State commerce which are unfair or oppressive or against good business morals are undue restraints of trade and illegal. It may be necessary further that the machinery of the courts of equity be increased in the larger cities, so that they will be able to handle business promptly. Under such a system there may be times when there is a clash of opinion in the decisions of different courts as to what is and is not unfair and oppressive, which will necessitate legislation to make the action of the courts uniform the country over; but it is interesting to note that the decisions of the Federal and State equity courts dealing with cases of this character in the past twenty-five years show very few, if any, important differences as to principles.

In seeking better commercial laws, and better enforcement of such laws, we may be most industrious in passing statutes which define what acts are unfair and oppressive, but while our legislative machinery is grinding out these statutes the persons against whom they are directed are fully capable of inventing an entirely new programme for obtaining their ends, which will be quite as effective as the old, and which will not be included in the statutes we pass.

The work of our equity courts along these lines has been most fundamental and scientific, and compares favorably with the progress made in foreign countries. To make our present system of protection of merchants against fraudulent practices completely effective seems to require merely the removal of the difficulties that now deter equity judges from taking jurisdiction of all fraudulent acts in competition which they are convinced are inimical to healthy business conditions, the making of a few changes in equity procedure looking to lessen the cost of litigation, and more judges where the courts are now overworked. That done, it would seem as if we were in a fair way of insuring to ourselves that "fairness in business dealing" which the conditions of the past few years seem to indicate, with reasonable clearness, are indeed "an essential element of an *enduring* prosperity."

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THE SPECTATOR

NOT for a long time had it been borne in upon the Spectator how old he was till his wanderings led him the other day into the corridors of the Capitol at Washington. There, in a conspicuous part of the main floor, in the wing devoted to the House of Representatives, he found himself in front of a small stand covered with picture-cards and guide-books and like temptations for the passing tourist. Near by sat the proprietor, leisurely reading the news of the day while waiting for customers.

"'Times!' 'Star!' Ne' Yo'k pape's!" It was a street newsboy, with a big bundle of his wares under his arm, who thrust beneath the Spectator's nose a brace of the best-known journals, their sensational headlines carefully displayed. The Spectator removed his glasses and rubbed them vigorously before looking about him to make sure that in a fit of mental abstraction he had not strayed out of doors again. Was this, indeed, the inside of the Capitol? What a troop of ghosts these trifling incidents called in array before him, with the bulky shade of Thomas Brackett Reed heading the procession! It was—let's confess it and have done—a matter of four-and-twenty years since Mr. Reed, elected Speaker by the Republican Representatives who came in with Harrison's elevation to the Presidency, resolved to rid the Capitol of its character as a house of (small) merchandise. Buying and selling, he declared, should not go on with any more freedom in its public passageways than in its committee-rooms or on the floors of its two great chambers. The home of Congress was thenceforward to be a temple of legislation and not a market or a country fair.

The Spectator remembers these facts so vividly because he happened to be in Washington, and a frequent visitor at the Capitol, when Speaker Reed undertook his task as a rubbish-remover. Not even the old Dutchwoman on the box of patent cleanser attacks her dirty corners with more vim than the new Speaker did the sordid host of stands and show-cases, racks and counters and shelves, which had, by a process of gradual and noiseless encroachment, intrenched themselves in the passages, not only so narrowing them as to cripple sadly their usefulness as a thoroughfare, but furnishing snug harbors for vermin, and collecting and dispensing more and more filth with every rise in the daily tide of sight-seers. Here was one woman with a hawk-like visage and a foreign accent who besought the passer-by to purchase, of course at a fancy figure, anything in the line of miscellanies that he might be disposed to carry away, from an American flag or a papier-maché ink-stand to a gilt match-safe or an alpaca umbrella. Farther on were cane bazaars; photograph and tintype racks; book-stalls; desks at which one could have a dozen visiting-cards written in a copperplate hand and adorned with flourishes to suit the most exacting taste; flower and candy and fruit tables; cigar and tobacco booths; and counters across which you could help yourself to a slice of any kind of pie, to be eaten from the fingers on the spot, and washed down with a mysterious liquid labeled milk, poured from a dingy tin can into a cloudy glass tumbler. It was more than the menial laborers in the building could do to keep the floors reasonably cleared of the scraps of paper, cigar stumps, crushed morsels of pie and candy, apple cores and banana peels; and on rainy days, when dripping umbrellas added their contribution to the general messiness, a trip through the Capitol was made only at the cost of soiled garments.

Thither came the Czar with his ukase of disestablishment. The souvenir woman waxed pathetic and the pie-man profane, and they and the cigar dealer and the rest rushed to their respective Congressmen for defense against the Reed decree. The Congressmen in their turn besieged Reed. His answer was that the whole crowd of petty merchants were intruders; that if they pretended to have any concessions to establish themselves in business in a building which belonged to the public and was dedicated to public uses, they must have obtained their insignia of privilege unlawfully for a valuable consideration given to some one who had no right to traffic in such things; and if they had no licenses or other color of right, there was nothing to discuss; out they must go, and at once. So the Sergeant-at-arms was instructed to eject everybody who was engaged in trade in the corridors, to disregard all attempts to interfere in their behalf, and to come to the

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Speaker's room, and there exclusively, for his further orders.

The crusade for cleanliness was a success. Van-loads of knickknacks and edibles passed one day down the streets leading from the Capitol; a gang of charwomen fell to before the next morning and rendered at least broom-clean the places recently occupied by the hucksters; the itinerant newsboys were banished to the porticoes; and even the professional guides, who formerly had run riot in their too insistent attentions to strangers, were put under discipline and made a responsible body. The reform presently spread into other channels. Among the places it invaded was the crypt in the basement, under the big dome, which was originally planned as a repository for the body of George Washington, but had degenerated in the later years into a storage-vault for all the disused junk about the premises—paintings offered to Congress that had never been unboxed, chandeliers that had given way to more modern fixtures, odds and ends of statuary, old chests and cabinets, unhinged doors, discarded cloak-room racks, and whatever of like character had been filling coveted space elsewhere. With the co-operation of the official architect of the Capitol, all this trash was cleared away and the crypt restored, if not to its first sepulchral purpose, at least to its pristine decency. There were croakers in those days who prophesied that the job of putting the Capitol to rights would prove too huge for any human being to carry through; but human beings did carry it through, and most of the observers of the miracle believed that conditions would never drop back again to their old level. It is safe to say now that they never will, by one big slump.

But it is not a big slump that is most to be dreaded in such a case; it is the insidious intrusion of the wrong things, "here a little and there a little." The man who sells picture-cards and guide-books has lately found a spot on which to plant his table and set up his rack; and undoubtedly behind him to-day, watching to learn whether he is going to be turned out or to stay, are crouching the souvenir woman and the flower girl, the cigar-vender and the purveyor of pastry, and all the long retinue of dealers in this and that and the other variety of small wares. In his stroll through the building the Spectator encountered only one newsboy; but the undisturbed presence of that one means that the bars have been let down a little way, and it only remains to be seen how many of his competitors are agile enough or bold enough to vault the lowered barrier. It was by just such advances that, in old times, the work was done which it took the sturdy blows of "Tom" Reed to undo.

Possibly the Spectator is too much of a fogy. It may be that, in accordance with the world's growing sensitiveness to the demands of individual freedom, he ought to welcome any signs of a more liberal spirit in the administration of the internal affairs of the Capitol. If a man who visits that edifice wishes to smoke or chew tobacco, why should he not have a means of replenishing his supply without making a special trip for the purpose? If a woman is impressed by the beauty show in Statuary Hall, and wishes to send her friends a panoramic view of the little Washingtons and big Allens, marble Willards and bronze Livingstons, grouped in one semicircle, why should she not be able to buy her picture without going out of doors in search of it? As for umbrellas—well, a party of tourists might enter under a blue sky and depart in a blinding storm. And when it comes to pie and milk, why pay ten cents a portion for the privilege of sitting in a room and at a table, and being served with dishes, knives, and forks, when nature made the human animal capable of standing upright and equipped him with hands and fingers—and when five cents will command as large a quantity of provender as ten?

Let every reader settle these nice questions for himself; the Spectator has performed his function when he has rung the alarm for those to heed who will. If the people at large, who own the Capitol, and ought to have the last word as to what shall go on therein, wish to see its vacant spaces occupied once more by the squatters whom Mr. Reed drove out of them by force a score of years ago, so be it. If, however, they prefer the clean, dignified, orderly conditions which generally have prevailed since his crusade, they had better let the present Congress hear from them without delay, so that the menace of deterioration may be dispelled by nipping the first adverse developments in the bud.

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THE NEW BOOKS

A PLEA FOR THE RAILWAYS[1]

The name of Howard Elliott is just now on the lips of many people. For thirty-odd years his railway experience was west of the Mississippi. Recently he became President and is now Chairman of the Board of the New York, New Haven, and Hartford Railroad Company, at present the most talked about of companies.

But Mr. Elliott is more than this. He is also an instructor in railway economics, as any one may see who takes up his just-published volume. It comprises eight addresses which have been valued by Mr. Elliott's friends. Taken together, the addresses make a book useful to any one who would learn about the latter-day transportation situation in the United States as it affects the farmer, the banker, the passenger, the shipper, the railway employee, the public in general.

Of course Mr. Elliott presents the railway side of the transportation problem, and of course, as an honest trustee of other people's property, he wants to see increased railway earnings. On another page Mr. H. F. Porter gives some reasons why railway rates should not be raised. Mr. Elliott, on the other hand, wants to see rates raised; but in dwelling upon this Mr. Elliott also has broad considerations in mind, namely, that the country cannot attain its best growth unless the people can be made to see the necessity of adequate and safe transportation, together with the impossibility of obtaining it unless enough money is earned to pay approximately the same return to the investor as is received by investors in other classes of business in the same territory.

To this end Mr. Elliott would encourage friendly relations and friendly discussion with the public rather than have constant friction. As he says, through lack of complete information about railways there has arisen some antagonism toward them. On the one hand, there is a critical public; on the other, there are railways "struggling with forces which are causing rates to remain stationary or to decline, causing wages to rise or to remain stationary, bringing demands from a prosperous people for increasingly expensive facilities and service, and causing taxation to rise at an alarming rate." These four forces, as Mr. Elliott acutely points out, are all at work reducing the margin between income and outgo. Of course they make it more and more difficult for the owners of railway properties to keep their lines in suitable condition and to obtain a proper return. Mr. Elliott admits that railway officers have been less active than they should have been in keeping in touch with the public. He declares that railway owners, officers, and employees should realize that it is necessary to maintain cordial relations with the public and to give full information about the railway business. There is plenty of information ready to hand; indeed, "no form of business in the United States is conducted so openly, and in none are the facts and figures so available."

Like all other railway presidents, Mr. Elliott calls attention to the fact that on all important questions but one the railway owner is directed by acts of Congress and by State Legislatures, and by the orders of commissions and bureaus. The one question in which he has full say is that of finding the money to pay the bills! In order to make clear what this interference with the details of management really means, Mr. Elliott gives the following illustration:

> Suppose, for example, that some men are engaged in the business of hauling freight of all kinds from the water-front to the various parts of a city. The owners and chief managers are doing the best they can to deliver coal, merchandise, and other freight promptly and cheaply, though every pound must be hauled with difficulty over slippery streets and up heavy grades. Suddenly, however, a large number of men appear and begin to tell the owners and managers how to run their business. None of these men have any financial interest in the business of transporting merchandise by wagon, and few of them have any practical knowledge of it.
>
> One man says, "I have been looking at your wagons, and their beds are not the right height from the ground, and you must change them. I notice also that the steps are put on wrong and the buckles of your harnesses are not of the right character. You must fix these things."
>
> Another man says, "The lanterns your teamsters carry are not suitable. You must buy a much more expensive kind and see that they are carried whether they are needed or not."
>
> Another says, "You must not use a certain lead horse any more because he is not suited to the business."
>
> Another says, "I noticed that you were carrying a calf on one of your wagons. In such

[1] The Truth About the Railroads. By Howard Elliott. Houghton Mifflin Company, Boston. $1.25.

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cases you must get your wagon from the waterfront to destination within one hour, and it must be moved at a speed of not less than ten miles per hour."

Another says, "In our part of the city your wagons must not move faster than four miles an hour, and you must stop them at every street crossing."

Another says, "The city authorities have decided that you must reduce all your charges twenty-five per cent."

And still another says, "I represent a committee that has decided that your sheds and barns are not of the right type, and you must tear them down and build new ones."

Meanwhile some of the stablemen and others have come to the managers and owners saying that they have decided not to do any more work unless their pay is increased twenty-five per cent.

Naturally the owners and their managers are somewhat confused and discouraged.

It is a grave question, claims Mr. Elliott, whether the railways can continue to meet the demands of the people and be the efficient instruments that they should be if, while they are owned by private individuals, in all important matters of management except finance they are practically directed by Governmental authority. He adds:

I do not wish to be understood as meaning that there should not be supervision and regulation of the great public service corporations. . . . I do, however, want to make a plea that, coupled with restraint and control, there should be protection to the owners of the securities. The commissions, both State and National, naturally feel the great pressure of the millions of users of the railroads for reduced rates and increased facilities. . . . I believe that the commissioners, who have such great powers, realize their responsibility to the owners of the properties as well as to the users.

Do they? With Mr. Elliott, we too think they do. At any rate, the fine thing about this book, and the fine thing about Mr. Elliott's railway management everywhere, is the spirit which he has put into both. It is an eminently co-operative attitude and spirit, as was recently specially shown in the settlement of the labor troubles on the New Haven road, and as is being shown in Mr. Elliott's earnest endeavor to rehabilitate that great system.

Royal Spain of To-Day. By Tryphosa Bates Batcheller. Longmans, Green & Co., New York. $5.

Mrs. Batcheller has followed her handsome volume on Italy with a somewhat similar volume on Spain. The book bears many evidences of royal patronage and approval—on its brilliant cover with the coat of arms, in its text, and in its portraits. It is principally an account of a motor trip through Spain in which Mr. and Mrs. Batcheller were accompanied by the Infanta Eulalia. There is also an account of a short trip in Portugal, where Mr. and Mrs. Batcheller were royally entertained. Indeed, no small part of the book is made up of impressions of royal persons. Fortunately, the King and Queen of Spain are persons of marked individuality, who have gained the confidence of the world at large as conscientious and also as gracious rulers. The narrative is not lacking in descriptions, but it is largely a personal record written with enthusiasm.

Open Road (The). By E. V. Lucas. Henry Holt & Co., New York. $5.

Among recent collections of verse Mr. E. V. Lucas's "The Open Road" has secured a popularity gratifying to all lovers of good poetry. It is reported that it has passed through twenty editions in England and through more than twelve editions in this country. There is, therefore, ample justification for its production in rather portentous form—portentous in size and weight. Originally "The Open Road" was a companionable book which one could take about with him. In this form it is a handsome volume for the library, and offers some compensation for its bulk by its large page and its very clear type. Landscapes have been introduced by Mr. Shepperson.

Markets for the People. By J. W. Sullivan. The Macmillan Company, New York. $1.25.

A thoughtful treatment of a vexed question from the consumer's standpoint is worth our attention. The author has devoted several years, here and abroad, to the study of the whole matter, and he writes clearly and sensibly.

Read the chapter on "Co-operation in America," and note the list of hindrances that he finds. Read the descriptive histories of city markets in Paris, Berlin, and London, and note the way the street vender, the costermonger, is regarded by this expert observer. Mr. Sullivan advocates ambulant street vending, free to all comers, regulated only by necessary hygienic and social laws; open street markets, held for a few stated hours, in the most convenient quarters in New York, free to all venders; and the use of modern methods in existing public markets—auctioning, licensing market commission men, selling by sample, ordering from producers for direct delivery, and encouraging the attendance of local producers.

Stories of the British Empire, for Young Folks and Busy Folks. By Agnes Maule Machar. William Briggs, Toronto.

Into this handy volume—two volumes in one—the author has packed a great deal of information told in an interesting way and characterized by a liberal but non-partisan spirit. It will be

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found readable by and useful for busy folks as well as young folks whether busy or not.

History of Germany (A). By H. E. Marshall. The George H. Doran Company, New York. $2.50.

Readers who are familiar with Mr. Marshall's histories in story form for children will welcome this volume.

Germany's story is of the greatest importance in the history of the world; and, outside of school-books, this is the first simple history of the German Empire in the English language. This is reason enough for its being. We all know that there is little use trying to change radically the opinions of adults; the point is to get hold of the children, and in teaching them to understand that the deeds of heroism, chivalry, and devotion to high ideals do not belong exclusively to the history of their own country we are taking a long step toward the attainment of that universal peace for which the world is striving. As an eminent English statesman recently said: "It is the influence of real knowledge that alone can dispel the clouds of suspicion and set us free from the burden of preparing against attacks that are, in truth, contemplated by none of us."

This history begins with the legendary lore of Germany, and ends by introducing the present Emperor, William II. The print is unusually clear, and there are a number of interesting illustrations in color.

Orient Question To-Day and To-Morrow (The). By Stephan Lazar Lazarovich-Hrebelianovich, Prince. Duffield & Co., New York. $1.25.

In his "Servian People" Prince Lazarovich has already instructed us in interesting detail. In his present volume he gives us more instruction. It would be more immediately available had the book been provided with an index. The information has an added interest because it is applied to the present Balkan question. In its ultimate analysis, this question, affirms our author, affects not alone Servians, Bulgars, Greeks, Turks; it also affects Germans, Englishmen, Russians. Every one knows that the recent conflicts in the Balkans grew out of the efforts of the peoples there to free themselves from the Turkish yoke and to reconstitute some of the territory which once belonged to them. If this be its local aspect, so called, the problem has an international aspect also. For its solution, affirms Prince Lazarovich, must be in accordance with the development of transportation and trade from the Occident to the Orient. As he cleverly adds: "At the base of every real revolution is a loaf of bread—and commerce is a latent state of war."

The present volume sheds light on international economics regarding the Balkans in general and Servia in particular, especially in the domain of transportation. Prince Lazarovich speaks again of his Danube-Ægean Canal project. In connection with the central European waterway systems, this would form a continuous and direct water route from the North and Baltic Seas to the Mediterranean, and so to the Orient.. The water route thus made possible between Occident and Orient would, so far as the Balkan Peninsula is concerned, lie within the north-to-south valleys from the Danube to the Ægean Sea. Through them a railway already runs from Belgrade, the Servian capital on the Danube, to Salonika, the principal port on the Ægean. This canal would complete the central European inland water systems and would greatly shorten the trade water route between the Suez Canal and the ports of Antwerp, Rotterdam, Bremen, and Hamburg. As our author says, the gain by Servia of a port on the Ægean Sea is a matter of great importance to that country, both as regards national defense and as regards economic development. We agree with Prince Lazarovich that, with the completion of the Danube-Ægean Canal and the possession of the *hinterland*, Servia should certainly have an Ægean port through which much of the commerce to central Europe would pass.

Christina of Denmark, Duchess of Milan and Lorraine, 1522–1590. By Julia Cartwright (Mrs. Ady). E. P. Dutton & Co., New York. $6.

Mrs. Ady (Julia Cartwright) has published admirable biographies of Italian women—of Beatrice and Isabelle d'Este. She now gives us the biography of another Italian woman—Italian by adoption.

At the remarkably youthful age of fourteen Christina of Denmark became Duchess of Milan. She was a widow before she was sixteen. Then came her adventure with Henry VIII of England. Many who have looked at Holbein's "Christina" in the National Gallery in London have never known that Henry ordered the painting when he was considering making Christina his wife—that is to say, the fourth Queen in succession to Katharine of Aragon, Anne Boleyn, and Jane Seymour. When the Duchess of Milan was first suggested to Henry VIII as a possible mate, the negotiations were similar to the average royal matrimonial alliance, and it was during them that Henry ordered the Holbein portrait. But after Holbein painted that portrait the case became different. Henry fell in love with the picture. He vowed that he would have the Duchess even if she came to him without a farthing. And he failed. To know just how and why he failed Mrs. Ady's book should be consulted.

She tells the story simply. We have as a result of careful study a portrait, from the original sources, of the Duchess of Milan which fascinates us somewhat as Holbein's fascinated Henry. While Mrs. Ady recounts in interesting detail many other adventures, of all the various periods of Christina's life the one most

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to challenge attention is that when, as a very youthful widow, hers was a peculiarly pathetic figure. Mrs. Ady says:

> From the moment of the Duke's death her good sense and discretion won golden opinions from the gray-headed statesmen around her. The Senators and Ambassadors were deeply moved at the sight of this Princess, whose heavy mourning and widow's weeds contrasted strangely with her extreme youth. The dignity and grace of her bearing charmed them still more, and all the Milanese asked was to keep their Duchess among them.

One is glad to think that such a woman did not become another sacrifice at the marriage altar of Henry VIII, but that the ghosts of Henry's wronged wives came between him and Christina.

Self-Realization: An Outline of Ethics. By Henry W. Wright. Henry Holt & Co., New York. $1.60.

Professor Wright's contribution to ethical theory may perhaps be best characterized as a somewhat over-elaborated but on the whole highly successful attempt to synthesize the mutually supplementary truths developed by those opposing schools of thought, the idealists and the realists. As he views it, the moral ideal, the highest good, is defined as self-realization, with reference to the "self," the personality, regarded not as an entity of merely individual interests but as having social and universal aspects which must be recognized in all efforts at complete self-realization. The consideration of these various aspects, of the ends involved, and of the means whereby these ends may best be attained occupies the remainder of Professor Wright's thoughful, helpful, and stimulating book.

Across Unknown South America. By A. Henry Savage-Landor. In 2 vols. Little, Brown & Co., Boston. $10.

Mr. Savage-Landor is well known as a daring explorer in Asia and Africa, although his accuracy as a narrator has been called in question.

The present work acquaints us with his recent exploration in South America. He started out to see an almost entirely unvisited region of Brazil. His journey occupied eighteen months and he traveled nearly fourteen thousand miles; it was often one of privations; for instance, for sixteen days the party ran short of provisions.

Despite the author's cocksure manner and his bumptious and bombastic style, the volumes are readable and informative. The chief feature of the work lies, of course, in its contribution to our knowledge of geography; we also have the author's notion of how the Western Hemisphere, as we know it, came to be. Another feature of the work lies in its indication of the commercial possibilities in the region traversed by the author. He reports concerning the fertility of the soil, the pasture lands, the mineral and rubber resources, and the fruit yield.

The most picturesque feature of the work, in our opinion, is the account of the Indian savages of central Brazil. Mr. Savage-Landor is the first white man, so far as we know, to come into close touch with those savages. He sets down their habits and customs and weird superstitions in extremely interesting detail. Even more entertaining is the story of how he conciliated their ferocity and ultimately became friendly with them.

The illustrations add much to the vivacious and graphic but too flamboyant text. Mr. Savage-Landor went from Brazil into Peru, across the Andes, and returned to Rio by way of Bolivia, Chile, and Argentina.

Philosophy of Art (The). By Edward Howard Griggs. B. W. Huebsch, New York. $1.50.

Professor Griggs has long been preaching about literature, philosophy, and art, and his latest book carries on his general principles. He shows us what art is, how it comes out of the life of man, and what specific function each of the great ideal arts fulfills in its relation to the human spirit. Then he deplores certain prevailing misconceptions concerning art—for instance, that it is a dispensable luxury, or that it must carry a moral lesson.

The author is at his best when he speaks of the unity of the arts. His illustrative material is ample, as, for instance: "Where song is at its best, both poetry and music are given so that the ideas of the poem are definitely associated with the series of emotional states aroused by the music. One of the most perfect examples of this composite art is Schumann's 'Frauenliebe und Leben,' written to the poem of 'Chamisso.'"

No one, we believe, can read such a volume as this without feeling anew the intimate relation of the arts to one another, and what specific function each fulfills in relation to the human spirit.

Mountains About Williamstown (The). By George Lansing Raymond. G. P. Putnam's Sons, New York. $2.

Lovers of the Berkshire Hills are apt to regard Williamstown as the center of that region. This is natural, as the mountains about Williamstown are higher than any other in the county. This well-illustrated volume will be a pleasant souvenir to those who have visited the region, and especially to all graduates of Williams College. To those who do not know the Berkshires the volumes serve the good purpose of introducing to them Greylock, Berlin Mountain, West Mountain, Ford's Glen, and other places.

Christian Approach to Social Morality (The). Three Lectures by Richard C. Cabot, M.D., on "The Consecration of the Affections and Report of the Commissions on Social Morality." National Board, Young Women's Christian Association, United States of America.

We have never seen so much common sense on this delicate and difficult subject compressed into so small a compass as in this book of Dr. Cabot's. We commend it to teachers, parents, and clergymen.

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THE READER'S VIEW

OUR GERMAN CITIZENS

The German immigrants form the largest and most important element from the European Continent. There are to-day 15,000,000 people of German stock in the United States. Can we marvel that the patriots of the Fatherland lament the loss of this enormous number of fellow-countrymen, who, had they gone to Australia or Brazil or Argentina, might have built up a future great German state? Here in the United States they are lost to Germany and Germanism. No elements of the foreign population here in our country are more eager than the Germans to learn the English language or readier to denationalize themselves and become patriotic Americans. No mistake would be greater than to think of most of the children of German parents in the United States as foreigners. Not only do the great majority of them speak English rather than German by preference, but many avoid the language of their fathers, and some are even ashamed of it. Certainly they all deem themselves thoroughly American. Another evidence of their denationalization is seen in the fact that in the United States to-day German schools and newspapers are declining in numbers and German-American literature has taken no deep root. A recent German writer says: "German-Americanism has only a present, but no future." Some wise men have figured out that it takes three generations to become thoroughly American. But facts are facts. The children born of German, Dutch, Scandinavian, Irish, Scotch, or English parents are as American as the descendants of the Pilgrims. This is the rule; of course there are exceptions.

Indianapolis, Indiana. W. F. ASEMISSEN.

[The same rule applies to Germans in Brazil, as Mr. Roosevelt pointed out in his article in The Outlook for January 24.—THE EDITORS.]

SHALL THE RAILWAY BE ALLOWED TO RAISE RATES?

In regard to the question of raising the railway rates, there seems to be a widespread and correlated effort to force the Inter-State Commerce Commission into acceding to the demands of the railways. I hope it will stand firm and instead force the railways to adopt a programme of economizing along efficiency lines. So far they have shown little disposition to move in this direction, and they won't while there is hope in their minds of being able to bully the Government into approving a horizontal rate raise. First let them show that they are earnestly seeking to apply the well-known principles of economic arrangement developed by Taylor, Emerson, Gantt, Franklin, and others, and then we will be willing to grant them the right they now would compel—if indeed it will then be necessary to ask it. I do not think that it will be. On the other hand, I think it will be seen that a decrease then will be in order.

Louis Brandeis, in the famous hearing of the Shippers *versus* the Railroads, before the Inter-State Commerce Commission in 1911, produced the testimony through Harrington Emerson that, conservatively speaking, the railways are losing a million dollars a day through inefficiencies in operation that are easily remediable. This statement was pooh-poohed by the railway men very generally, and it is still very generally pooh-poohed by them, though no one has come forth with figures to prove the impracticability of Mr. Emerson's statement.

One million dollars a day is indeed conservative. Twice that would still be a moderate estimate of the possible saving. For, let us look at these figures. The total expenses of the railways annually are approximately $2,800,000,000. The genesis of this is as follows:

1.—For all materials and supplies for operation	$600,000,000
2.—For total pay-roll, about	1,200,000,000
3.—For interest, taxes, and insurance on a valuation of $16,000,000,000	1,000,000,000
Total	$2,800,000,000

These are actual. If reasonable standards of efficiency were enforced, the following would be the figures:

Item 1.—Efficiency in purchase and use of materials and supplies whenever checked up accurately always has been less than 50%. But assume 70%	$420,000,000
Item 2.—Efficiency of labor whenever checked up on a large scale as to a whole class has not exceeded 60%. But assume 80%	960,000,000
Item 3.—By underwriting railway indebtedness the interest burden could easily be lowered 1% and the present capital extinguished in 40 years. This the Government could do if it realized its responsibility as well as its power	920,000,000
Possible total expense	$2,300,000,000
Actual total expense	2,800,000,000
Present annual loss	500,000,000
Present daily loss	1,370,000

For these figures I am indebted to Harrington Emerson.

When we are able to get at such facts as these, it seems to me that we can afford to stand firm in our refusal to approve an arbitrary increase in rates, in spite of the clamors of the railways and the great, powerful, bulldozing and blundering financial interests that goad them on. To yield to them under present circumstances would be to delay the crystallization of the efficiency movement in this country a generation or more and to place our stamp of approval on the continuation of a policy which,

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succinctly stated, amounts to "robbing Peter to pay Paul."

HARRY FRANKLIN PORTER.

Chicago, Illinois.

[A review of Mr. Howard Elliott's book, elsewhere in this issue, tells what the other side of the matter is from the point of view of a high-minded railway official.—THE EDITORS.]

"CHILDLESS AMERICANS"—AND OTHERS

In Mrs. Cartland's article entitled "Childless Americans," in The Outlook of November 15, 1913, she speaks particularly of Americans of "good old American stock." Would she find the matter much different if she were to look at the case of Americans of other stock?

In the little factory in which I work, which is situated in a pleasant little sparsely settled Middle West country village, where the cost of living does not absolutely prohibit the having of children, there are ten young men of pure German parentage who have all of them been married long enough to have children with time to spare, and among the ten there are not as many as ten children. The fatal fad or fashion of not having children does not seem to be confined to people of old American stock. Eight of these young men are Protestants. Two are Catholic, if anything.

Under the same roof are five other men who have from five to ten children each. These five men are Catholics.

If this little factory is typical of the whole country in this matter, it is easy to see which Church will preponderate in a generation or two.

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THE KENNAN COURSE

Perhaps you may not be averse to noting special interest in the various features of your magazine. I always read with avidity whatever appears there from the pen of Mr. George Kennan. I will engage to take an educated person and give him the same deep interest in Russia and Siberia that I have by the following regularly graded process. Start with the reading of Mr. Kennan's "Tent Life in Siberia." There is now a fine reprint. Then put him on the bound volumes of the "Siberia and the Exile System." From reading and re-reading of this progress to all that he has written of late in The Outlook. Nothing outside is needed to keep up the interest; the process is entirely automatic. Better, though, read Sir Donald Mackenzie Wallace's "Russia." The two authors named are almost the only ones who have mastered the language, and are thus trebly entitled to credit. It may interest you to know that the frequent references in Mr. Kennan's work to untranslated Russian materials has led me a good way in acquiring a reading knowledge of that language, and to the purchase of a good many Russian books. These contain so many references to French literature and persons that I have also had to rub up my French.

Alliance, Nebraska. ALVAH J. MACY.

THWAITES AND PARKMAN

I have read your fine tribute to the late Dr. Reuben Gold Thwaites, "A Historian of the West" (The Outlook, November 8, 1913), and note your comparison between Dr. Thwaites and Francis Parkman. Except that both of these distinguished historians did invaluable work in rescuing and preserving ancient documentary historical materials, I find little in common between them. Thwaites was conservative, conscientious, devoting his life to verifying and cataloguing the facts of history, and rarely indulging in speculation or deductions; but when he did so his logic was irresistible. Parkman, on the contrary, persistently lost himself in the exuberance of composition, and sacrificed accuracy to literary brilliance, and while constantly employing deduction was weak in reasoning. Thwaites was almost invariably dependable; Parkman only moderately so. I have daily occasion to resort to Thwaites and Parkman for assistance, and I am sure that all who examine their work critically find Thwaites the safe authority.

DOANE ROBINSON.

Department of History, Pierre, South Dakota.

WHO KNOWS ABOUT THIS?

Quite recently there came into my possession a well-preserved copy of "Entick's New Spelling Dictionary," which, from its wide scope of subjects, might easily be termed "an educational panacea." It has been possible to trace the book four generations, which would surely indicate that it is a fairly old work. The title-page has disappeared, and, knowing that The Outlook circulates among people well versed in all arts, I am inclined to believe that some of your readers could acquaint me with the date of publication and pen an interesting sidelight on its accomplishments educationally.

I cannot forbear this opportunity of quoting an excerpt which might prove worthy of adoption in many print shops to-day:

Standing Rules of the Stereotype Office of A. Wilson, Duke Street, Lincoln's Inn Fields.

1. Nothing is to be printed against Religion.
2. Everything is to be avoided, upon the subject of Politics, which is offensive to any Party.
3. The Characters of Individuals are not to be attacked.
4. Every work which is stereotyped at this Office, is to be composed with beautiful Types.
5. All the Stereotype Plates are to be made according to the improved Process discovered by the Right Honorable Earl Stanhope.
6. School Books, and all Works for the instruction of Youth, will be stereotyped at a lower Price than any other.

H. C. TOWNSEND.

Lockport, New York.

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BY THE WAY

February is perhaps the most ice-bound month of the year in the Northern United States; birds that stay North are said to suffer oftentimes for lack of water in this month, and bird-lovers will provide for them.

A society called the Parents' League has been formed in New York City, with Mrs. John Henry Hammond as its president. It plans to unite parents and teachers in establishing wholesome, common-sense standards for the education, amusement, and home life of children. "We hope to make it fashionable to be sensible and unfashionable to be foolish," is the epigrammatic announcement of the League's leader.

Jesse Collings, who rose from the laborer's cottage to be a member of the Privy Council of England, is now, it is announced, at the age of eighty-three, to retire from Parliament. He has represented a division of Birmingham in Parliament for twenty-eight years.

Statistics given out by the Illinois Central Railroad assert that no passenger has been killed on its Chicago suburban trains for whom the company has been liable by contributory negligence for 57 years, or since the service was established in 1856. The company transports an average of 45,000 suburban passengers a day in Chicago. For 45 months no "revenue passenger" has, it is stated, been killed.

Secretary of War Garrison has directed that certain articles found on the person of Jefferson Davis at the time of his capture by Union soldiers be returned to the heirs of Mr. Davis. Among the articles are three pistols, two pistol holsters, one pistol case, and four bullet molds. The War Department retains the cloak and shawl taken from the distinguished prisoner of war.

The court of inquiry into the loss of the steamship Volturno, which recently gave its judgment, paid this tersely eloquent tribute to the burned vessel's captain: "Of Captain Inch it is sufficient to say that he did his duty."

The "Journal of American History" presents as its first issue for the year 1914 a monograph on "Perry's Victory," including a colored plate of the flag inscribed "Don't Give Up the Ship," used by Perry on his ship Niagara in the Battle of Lake Erie. Other issues of the "Journal" will comprise a Washington Inaugural Number, a Peace Number, and a Pan-American Number.

The marine has in times past been despised by the sailor, and perhaps is still, but, according to Henry Reuterdahl in "Collier's," the marine is the better man. "The bluejacket does not mix with the marine. The marine is too good—a better man from a military view-point, of cleaner cut, better set-up, older, better trained, and he understands discipline thoroughly." The bluejacket must, according to this, elevate his standards if his pride is to be justified.

At least one aviator who had made a reputation for daring has come to a peaceful end instead of dying by accident. Charles K. Hamilton is said to have had no less than sixty-three falls while practicing his profession, but his wiry frame and good luck combined to save him from serious hurt. His heart, however, was strained by his many hairbreadth escapes, and his recent death was the result of disease of that organ.

The fight against the slit skirt and the tango continues. An Austrian Field Marshal issues this ukase concerning dress: "All military men are commanded to inform the women of their families and all women who are invited to military functions that slit skirts are not permitted." And the fashionable dance has incurred the denunciation of many high ecclesiastics, including, it is reported, the Pope.

The fastest train ever run between New York and Washington is said to have been the newspaper special that carried the photographs taken at the marriage of President Wilson's daughter. It made the run of 225 miles in just four hours, having made more than a mile a minute for some 200 miles of the trip.

The perennial question as to the distinction between wit and humor is answered in a new way by the Indianapolis "Journal," thus: Prof. Patterby: "Define the difference between wit and humor, Mr. Fresh." Jack Fresh: "Wit is written by the paragraph, and humor by the column."

Among the Carnegie hero awards recently made were two for rescues of a remarkable character. Gordon T. Granger went down into a tank to rescue a pipe-fitter from gas suffocation. He tied a rope around the unconscious man and was then himself overcome while the pipe-fitter was hauled to safety. Edward A. Dalton then went to Granger's relief and succeeded in rescuing him, after which he was himself drawn up to the open air, in a semi-conscious state.

Chicago's educational authorities are considering a plan to abolish the home studies of school children. The plan will, however, it is reported, involve longer school hours—a school day of six or seven hours, with about one-fourth of this time devoted to study periods.

The Los Angeles municipal markets, established last year, are said to have met the approval of householders to such an extent that 25,000 people on market days come with their own baskets to carry their purchases home.

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COMMERCE AND FINANCE

A WEEKLY ARTICLE BY THEODORE H. PRICE

Beginning with this article, Mr. Theodore H. Price, the editor and proprietor of "Commerce and Finance," will write weekly for The Outlook on financial, industrial, and commercial topics. Mr. Price is one of the best-informed men in the banking district of New York on practical and industrial finance. He has an international reputation as an expert in the great industry of cotton producing and manufacturing and its allied branches. The views which Mr. Price will express in this weekly article will be his own, and The Outlook will feel at liberty to differ with him in its editorial columns, if any occasion for difference of opinion should arise. He will chiefly discuss National events and general principles. Those who wish more details than can be here given are referred to the pages of Mr. Price's own periodical, "Commerce and Finance," published at 24 South William Street, New York City.—THE EDITORS.

BONDS

NOT long since the State of New York needed $51,000,000. It invited bids for its bonds in that amount. The successful bidders were two banking houses.

Within twenty-four hours they resold the bonds at a profit of about one per cent, or $500,000. The incident was impressive, and has led some to inquire whether the profit the bankers made on the transaction was not excessive in proportion to the service rendered. As the bonds were publicly offered for sale to the highest bidder, and the bankers who bought them were willing to pay more than any one else, the ethical quality of the transaction up to this point cannot be questioned by the most meticulous moralist. The psychological effect of the willingness of acknowledged experts to buy at an unexpectedly high figure was to engender immediately a general desire to purchase at a still higher price, and the profit realized was therefore the reward of a correct appraisement of the psychological factor plus a high reputation for fair dealing, sound judgment, and success. This combination of qualities, together with the courage to make them effective, is so rarely found that it is always likely to be well paid, and a profit of one per cent on the transaction in question seems far from excessive, considering the risk involved and the skill employed.

The episode and the notice it has attracted lead naturally to a study of the machinery and methods employed in the purchase and distribution of the instruments of credit called bonds. Just now the subject is especially interesting, for many believe that we are entering upon a period of activity and advancing values in the bond market which will be in refreshing contrast to the stagnation of the past few years.

The word bond (old French *bonde* and Middle English *band*, a band or tie) has no exact equivalent in Latin or Greek, and was first applied to a monetary obligation about the same time that loan and deposit banking commenced with the establishment of the Bank of Venice in 1156. Shylock's insistence upon being paid a pound of flesh because it was "so nominated in the bond" is a poetical example of attempted foreclosure, and the ingenuity of Portia's defense in the proceeding has not been without imitation by corporation lawyers who have sought to invalidate some bonds of more recent issue.

As now generally used, the word "bond" is supposed to imply a security greater than that of a simple promise to pay the principal of a debt with interest thereon. It is somewhat vaguely assumed that bonds are always secured by the pledge of property having a salable value at least equal to the principal of the debt against which recourse can be had in the event of default. This is far from true, but it is the idea of security associated with the word "bond" that has made possible the many swindles and frauds through which handsomely printed but valueless papers called "bonds" have been foisted upon ignorant investors.

As a matter of fact, many obligations commonly called bonds are simply obligations to pay money, the integrity of which rests entirely upon the responsibility of the obligor. This is true of the bonds of the United States Government and of nearly all State, city, and county bonds, including the bonds of the city of New York, the legal name of which reads

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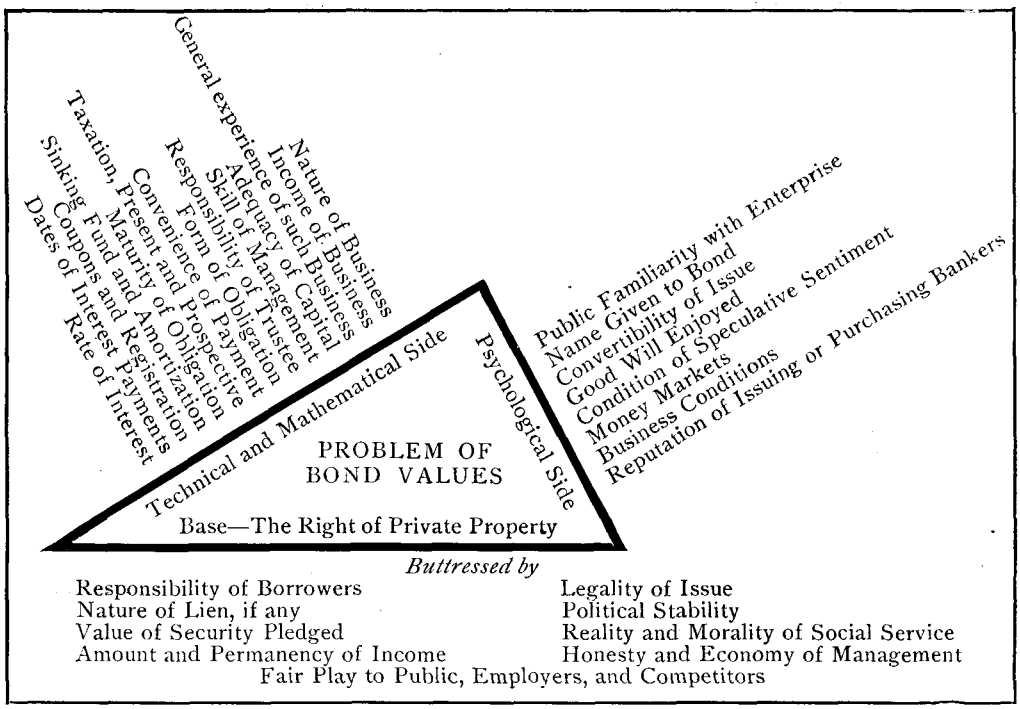

BOND VALUES "TRIANGULATED" (SEE NEXT PAGE)

"Corporate Stock of the City of New York." There are many other so-called "bonds" which have no convertible property at all behind them or the security of which is so tenuous that only expert knowledge and painstaking investigation can determine its sufficiency and value.

Even the various issues of so-called first-mortgage bonds are secured by the pledge of property that differs widely in value, convertibility, or earning power, and is in respect of these three essentials subject to constant change.

But the merits of a bond must be gauged by a multitude of other considerations, one of the most important of which is the breadth of the market for it. If it is a bond that is well known and owned by so many people that there is always some one ready to buy it, it acquires an added element of value, because cash can always be raised upon it either by sale or hypothecation as collateral for a loan.

There are also legal and political questions to be studied in determining the value of nearly every bond issued. These are becoming increasingly complex. The validity of a bond may depend upon conformity to the law of the Nation, of one or many of the forty-eight different States, and upon the approval of numberless Public Service Commissions, including probably the Inter-State Commerce Commission if the President's recent proposal is heeded. In the case of bonds to run fifty or one hundred years (and many such are issued), the history and tendency of Government is a matter of grave concern to the high-minded and thoughtful banker.

Mr. Jacob H. Schiff has been quoted as saying: "In a legal sense the bonds of New York City furnish better security than those of the National Government, because the city bonds are virtually a first mortgage upon all the property within a municipality which can be sued for its unpaid debts, while Government bonds are the obligation of a sovereign Nation not subject to the mandate of any court."

When questioned in regard to this statement, Mr. Schiff confirmed it, but was careful to add that the distinction he made was perhaps hyper-legal, as he had the profoundest confidence in the good faith and high destiny of the American people.

Such thoughts bespeak the mind of the lawyer and the publicist, and from the profession of banking many of the world's statesmen have been drawn.

Sir John Lubbock (Lord Avebury) and Lord Goschen are examples of the banker-statesman.

The element of morality also enters into

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the determination of the value and security of a bond. Has the enterprise to be financed been conceived and conducted honestly, and does it render a real social service? Most banking houses of dignified repute will agree that permanency of value and earnings inheres only in those businesses that minister to the serious needs of a thrifty and self-respecting people and are managed with integrity in a spirit of fair play toward competitors and employees as well as toward the public. The widening recognition given to the moral factor as an element of value is the most impressive economic development of our time and has made the fourth dimension almost thinkable in relation to finance.

There are many other considerations of a general character that will control expert and conscientious intelligence in accepting or rejecting a bond, but it is not necessary to further emphasize the difficulties of only one side of a triangular problem that may be roughly indicated in the diagram on the preceding page.

In this diagram the basic factors and the technical and mathematical elements are grouped on the longer sides of the triangle. To the psychological division of the problem less space is given, as it deals with influences that will be impermanent if the essentials of security exist. Conversely, it is quite possible for those who understand the psychology of the investment market to take advantage of the public at an adventitious moment and induce them to buy bonds that lack the intrinsic qualities of safety.

For this reason, the reputation of the bankers who are sponsors for the securities is the most important of the psychic or intangible factors, and as such will be considered later on.

The technical and mathematical determinants of bond values can be only partially enumerated and briefly discussed here. They embrace nearly the whole field of human experience and science.

Volumes which carry one well into higher mathematics have been written about sinking funds and amortization. The duties of trustees and the words in which the promise to pay is phrased have been made the subject of much litigation and many law books. There are many other details of the problem that might be mentioned to make plain the need of specialists in coping with it.

But these specialists must include not only lawyers and mathematicians; there must be men of broad sympathy, wide experience in business, acute power of analysis, and well-balanced optimism to pass upon the rights of enterprise to credit through the medium of bonds. The great bankers who control the water gates through which the public's money flows to irrigate the fields of industry have their obligations to the borrower as well as to the lender, to the worker as well as to the capitalist.

If the test of deservedness be made too acid, and the pessimism born of experience is not tempered by the optimism of hope and imagination, the banker will fall short of the full duty which his opportunities impose. It is the gift of imagination and the quality of constructive optimism that differentiate the banker from the money-lender, and the greatness and influence of the late Pierpont Morgan was chiefly in his ability to visualize the picture of the future upon the canvas of the present, and in his helpful belief in his fellowmen and his country.

The instrument of credit that is called a bond provides a means whereby the immobile or undeveloped assets of deserving enterprise may be pledged to secure the money which should be used to extend still further the field of beneficent activity. So regarded, the bond may be properly utilized by any political entity or business organization that can demonstrate that it is possessed of the assets necessary, the sound management requisite, and the honorable good faith which is the first essential of credit.

Almost everything that human industry has produced or for which society has need has been or may be made the basis of a bond issue.

It is entirely clear that skill and trained experience of the highest and most reliable character are necessary to discriminate as between good and bad bonds. It is equally clear that when skill and experience have eliminated the bad bonds and accepted the good bonds, money must be provided *en bloc* to buy them. Next, the machinery of introduction, advertisement, salesmanship, and distribution must be put in motion to pass the bonds along to the ultimate investor so that a normal level may be maintained in the distributing reservoirs of capital. The problems, processes, and machinery involved in distributing American bond issues estimated at two billion dollars a year will be discussed in a succeeding paper.

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